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A HISTORY OF VAUXHALL MOTORS TO 1950: INDUSTRY, DEVELOPMENT  
AND LOCAL IMPACT ON THE LUTON ECONOMY.

L.T.HOLDEN B.Sc. (ECON.)

Thesis for M.Phil.Degree

HISTORY DISCIPLINE OF THE ARTS FACULTY

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## A HISTORY OF VAUXHALL TO 1950

### ABSTRACT OF THE THESIS

This study is primarily concerned with tracing the development of Vauxhall Motors Limited until 1950. It involves an analysis of the reasons for the success of the company in the years before 1920, and the factors which led to its financial troubles in the 1920's and its eventual acquisition by General Motors in 1925.

An attempt is made to examine the relationship of Vauxhall to its American parent company in terms of the degree of autonomy which General Motors afforded Vauxhall.

The 1930's and 1940's were decades of prosperity and considerable expansion for Vauxhall when the company was able to enter into the ranks of the 'Big Six' ie. the six largest car producers. However, as the chapter on finance, marketing and export performance reveals it was the production of light trucks that was the major factor in the Vauxhall success story.

In tracing the development of Vauxhall an examination is made of the firm's industrial relations. A marked contrast is shown between the pre and post 1929 era. The earlier period was marked by bitter struggles between management and unions, whilst the later period witnessed a time of relatively good industrial relations which lasted until the 1960's.

The final chapters attempt to put Vauxhall in the context of the local economy, showing how Luton developed from a town reliant predominantly on the hat trade and female labour, to one where engineering and vehicle manufacturing became particularly important and employed mainly male labour.

It is also shown that Vauxhall's predominance in the local economy was to be influential in improving wages and conditions of the Luton workers.



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The writing of this history of Vauxhall was restricted by the inability to gain access to Board Room Meeting Minutes and other primary sources of the Vauxhall Motor Company. In addition the Vauxhall archives have no records of the early period of the company and other sources reveal little of the original company and its subsequent development before 1914.

Despite restricted access to Vauxhall archives I would like to record my appreciation for the help given by Mr. Glyn Davies, Vauxhall Press Officer until his retirement in 1981, who made available the Reports to the Directors and many Vauxhall publications housed in the archives.

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ABBREVIATIONS

A.E.U.	Amalgamated Engineers Union
A.S.E.	Amalgamated Society of Engineers
A.U.E.W.	Amalgamated Union of Engineering Workers
B.E.E.A.	Bedfordshire Engineering Employers Association
E.E.F.	Engineering Employers Federation
G.M.	General Motors
G.M.A.C.	General Motors Acceptance Corporation
G.M.O.O.	General Motors Overseas Operations
M.A.C.	Management Advisory Committee
N.U.V.B.	National Union of Vehicle Builders
P.I.A.E.	Proceedings of the Institute of Automobile Engineers
P.I.P.E.	Proceedings of the Institute of Production Engineers
P.R.O.	Public Records Office
T.G.W.U.	Transport and General Workers Union

## INTRODUCTION

The development of the motor vehicle industry in the 20th century has proved to be of great importance to both the British economy and the economies of the major industrialised nations of the world. Vauxhall Motors has played a significant part in that growth and occupies a place as one of the largest three vehicle manufacturers in Britain. It is surprising, therefore, that the development of the company has not hitherto, been the subject of detailed research, consequently the main objective of this Study is to attempt to remedy this omission. Three books have been published on the history of the company which emphasise the technical developments of car and commercial vehicle design. While a history of Vauxhall cannot ignore these aspects, particular emphasis in this study has been placed on the economics of vehicle production: finance, marketing, management and labour relations, and the impact of Vauxhall's growth on the development of the local economy.

Chapter One is concerned with the origins and growth of Vauxhall until 1925, and attempts to analyse the reasons for the company's initial success in the years before the First World War, and its financial troubles which eventually led to its acquisition by General Motors in 1925.

Chapter Two examines the take-over by General Motors and endeavours to show the relationship of the new owners to the British subsidiary and the consequent effects on the character and development of Vauxhall with special reference to the amount of autonomy which the parent company accorded to Vauxhall.

Chapter Three charts the expansion of Vauxhall in the 1930s and 1940s, and an attempt is made to explain how and why it entered into the

ranks of the six largest vehicle producers in Britain, collectively known as the 'Big Six'. A more detailed examination is undertaken in Chapter Four of the financial, marketing and export performance of the company reinforcing the analysis in Chapter Three.

Chapters Five and Six are devoted exclusively to management-labour relations and are divided into developments before and after 1929.

The controversial period before 1929 is closely examined and involves an analysis of the management's sudden change of policy towards the workforce which coincided with the company's withdrawal from the Engineering Employers Federation in 1921. These developments offer the opportunity to evaluate the thesis which has categorised those changes as representing a move by managers towards securing direct control over the workers.

The post 1929 period has been entitled the Bartlett Years, and Chapter Six explores the reason why Vauxhall had such tranquil industrial relations during his period as Managing Director.

Vauxhall's labour relations after 1929, a period of relative tranquility, also raise the question of job control and trade union policies.

The last two chapters consider the development of Vauxhall Motors in the context of the Luton economy. Chapter Seven examines the growth of Luton from the 19th Century, when the hat trade grew to become the dominant industry, leading Luton Town Council and the Chamber of Commerce to promote diversification of the Town's economic base in order to escape from excessive reliance upon an industry which predominantly employed female labour. The creation of a New Industries Committee succeeded in attracting engineering industries, including that of Vauxhall, and an assessment of its impact on the local economy is undertaken, in the particular regard to its effects on female labour.



The final chapter considers the influence of Vauxhall on the policies of other local employers, on the effects on trade union organisation and upon wages and conditions between 1930 and 1950.

## CHAPTER ONE

### The Evolution of Vauxhall: The 1890's to 1925

The pattern of development of Vauxhall Motors epitomises the growth of much capitalist enterprise, starting as a small company owned and run by one man, growing into a limited company; thence into a subsidiary of a multi-national organisation. The continuity of the firm remains only in the associations of the name 'Vauxhall.'

In this chapter the process of change in the nature and size of the company will be examined, outlining the reasons for Vauxhall Motor's success up to 1919. In addition an analysis will be made as to why the company ran into difficulties in the 1920's which eventually led to its acquisition by General Motors in 1925.

In 1857 Alexander Wilson, a Scottish engineer, founded Alex. Wilson and Company to produce marine engines used in river tugs and pinnaces (a large row boat, usually eight oared and part of a warship. Driven by steam and then petrol engines from the 19th century.) for which it gained a number of Admiralty contracts.<sup>(1)</sup> The firm was located near the River Thames at Wandsworth Road, Lambeth, close to Vauxhall Gardens and Vauxhall Bridge, and was thus known locally as the Vauxhall Iron Works. By the 1880's and the 1890's Wilson had diversified into the production of dry air refrigeration plant, used for large scale storage, and donkey engines for boiler water feeders.

---

(1) There are no records of this company and information rests heavily on the memory of T.W.Holtom, who served with this company and the subsequent Vauxhall Company from 1888 to 1938. His early accounts are to be found in L.C.Derbyshire The Story of Vauxhall 1857-1946 (Luton, 1946) and 'Early Memories of Vauxhall' Luton Saturday Telegraph, 23rd November, 1935. page 6.

Despite Wilson's ability as an engineer he was weak on the financial and managerial side of the business.

'Wilson's desk, according to one of his employees, was usually a mass of papers which nobody dared tidy or disturb. Old envelopes and the backs of letters were used for making notes and rough engineering drawings, and were then stuffed into Wilson's pockets for further reference.' (1)

The Vauxhall Iron Works was an example of enterprise run by capable engineers, unconscious of the growing importance of financial and managerial techniques. It was, however, a small firm employing no more than 150 men in the 1880's. (2)

In the early 1890's the firm ran into difficulties and the receiver, appointed a Mr. John Chambers, an engineer, to run the firm. In 1892 Vauxhall became a limited company and a Mr. William Gardner took the position of Joint Managing Director with Chambers while Alexander Wilson remained on the board for another two years. (3) In 1894 Wilson left and set up as a consulting engineer in Fenchurch Street, London. Two years later the Company was reformed and renamed the Vauxhall Iron Works Co.Ltd., and it was essentially this board which was to take the company into car manufacture. (4)

Under the Memorandum of Agreement the Wilson Company was purchased for

- (1) Quoted in K.Ullyett The Vauxhall Companion (1971) p.16
- (2) Derbyshire, op.cit. p.9
- (3) Ibid, p.9. Neither Companies House nor the Investors Monthly Manual have any record of this company and Derbyshire has once more been used. The P.R.O. B.T.31 file has no record of this company either.
- (4) Vauxhall Iron Works Co.,Ltd., Articles of Association, 31st March 1896. P.R.O. File B.T.31, 15593. Co. no, 47433.

£9,480 which also meant paying off Wilson's outstanding debts.(1)

The nominal capital of the company was to be £20,000 divided into £1 shares, but in April only 9,000 had been taken up by the public and 10,000 in July. (2) Even by 1901 only 18,000 of the £20,000

issue had been taken up.(3) Chambers and Gardner owned over a quarter of the shares, although a Robert Everett, a chartered

accountant, was the major shareholder with 4,170.(4) Much of the subsequent capital of the firm was to be accumulated internally and very slowly, in a rather similar fashion to that of Standard Motors.

In many respects this was not a disadvantage as many early car companies tended to become rapidly over capitalised and consequently ran into difficulties when the market contracted, as in the case of Argyll and Humber. The most significant, if untypical, case was that of Harry Lawson and the comparatively huge capitalisation of the Daimler Motor Company and its eventual collapse in 1902.(5)

Interestingly, Daimler produced marine engines and tested prototype petrol engines in River launches before installing them in cars, (6) as

Vauxhall was to do under the engineering guidance of Frank William Hodges. Like William Gardner, Hodges was an ex-apprentice of Alex Wilson, and it was he who obtained a car which was thoroughly examined with the idea of producing an independent and improved design. The faith of Hodges in his own work was sufficient for him to purchase over 3,000 Vauxhall shares, take a position on the Board of Directors and take up

- 
- (1) Memorandum of Agreement, 9th April, 1898. P.R.O. B.T. 31, 15030
  - (2) Nominal Capital Statement, 31st March, 1896. P.R.O. BT 31,15593.  
Memorandum of Agreement Ibid  
Summary of Capital and Shares 31st July 1896. Ibid.
  - (3) Summary of Capital and Shares, 21st February, 1901. Ibid.
  - (4) Ibid Summary of Capital and Shares 31st July, 1896.
  - (5) S.B.Saul 'The Motor Industry in Britain to 1914' Business History, V (1962). p.31.
  - (6) David Burgess Wise 'Daimler: Limousines Fit for Kings and Nobility.' The World of Automobiles-An Illustrated Encyclopaedia of the Motor Car. (late 1970's no date) p.484.

the appointment of Chief of the Drawing Office and Principal assistant to the Works Managing Director, at a salary of £100 per annum. (1)

Tests of a petrol engine in a river launch led to the production of a prototype engine in 1902. The one cylinder engine proved satisfactory enough for it to be put into light car chassis in 1903.(2) This light car was in effect a voiturette, or four wheeled cycle car. Nevertheless, Autocar described it as 'neat, efficient and cheap... which should find many friends.' (3) It cost £150. Interestingly, Vauxhall was never to mass produce a car below 10 h.p., and yet it began production at the lightest end of the market.

Vauxhall entered the motor vehicle industry at a time when a large number of firms were starting up. Between 1901 and 1905 over 220 firms were founded of which only 22 were to be still in existence by 1914.(4) In many respects its very survival after the failure of so many car companies can be said to have been an achievement in itself.

There were five basic reasons which lay behind the company's success. Firstly, a steady but not over extended rate of capital accumulation and expansion of productive capacity. Secondly, a balanced managerial board and management staff, ensuring the co-operation of engineering skill and commercial expertise. Thirdly, a solid engineering background which virtually enabled the total production of engine and chassis. Fourthly, adaptability to changing market conditions;

- 
- (1) Hodges took up the post in 1898. Special Resolution 28th March, 1898. P.R.O. BT.31. He purchased shares in 1901. Summary of Capital and Shares 21st February, 1901. P.R.O. BT 31 file.
  - (2) Derbyshire op.cit. p.10 and 11.
  - (3) Autocar 31st October, 1903, pp. 536-539.
  - (4) S.B.Saul op.cit. Table I p.23.

and, fifthly, the inestimable influence of Laurence H. Pomeroy.

The first factor has already been partly examined and we have seen that slow capital accumulation was not a problem peculiar to Vauxhall. In fact investors were often suspicious of a new industry such as motor vehicle manufacture, and the example of Daimler was a reminder of the possible dangers of such 'follies.' As late as 1907 financial journals were warning investors of the problems of over production in the car industry. (1) Slowness of capital accumulation was therefore a result of depending heavily on internal expansion.

Of the twelve owners of the 18,000 Vauxhall shares, the five largest shareholders were the Directors, owning 14,720 shares between them, who also held managerial posts in the firm. (2)

In 1904 the firm issued 6 per cent preference shares at £1 each and by the end of the year 3,000 had been taken up, of which Rudolph Selz and engineer and a coal and iron master named John Lancaster had 1,000 each. (3)

A fundamental development took place in the following year when Vauxhall amalgamated with the West Hydraulic Company. The capital was increased from £20,000 to £30,000, but that the increased issue was not readily taken up is evidenced by the fact that a debenture of £15,000 was taken out in July, with the obvious intent of financing the move from London to Luton, to share the West Hydraulic's premises there. (4)

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(1) see for example The Investors Chronicle November, 1907.p.231

(2) P.R.O. BT 31 Summary of Capital and Shares, 21st Feb.1901. These directors were Chambers, £2,000 shares; Everett, £4,170; Gardner £2,600; Hodges £3,000 and Rudolph Selz, £3,000, also an engineer who joined the firm in December, 1900 and was appointed a director and an assistant manager.

(3) Ibid, Preference Share Certificates 25th Feb., 1904, 18th July, 1904.

(4) Ibid, Debenture Certificate, 12th July 1905.

It would be interesting at this point to ask the question why Vauxhall decided to move from London to Luton. According to T.W.Holtom, the lack of space at the Lambeth works was an important factor. (1) The West Hydraulic Company owned 6 acres of land, of which three were offered to Vauxhall; a significant increase on the quarter acre plot allocated to car production at the London works. Although the plot was not to be fully used until after the First World War, immediate expansion could take place in a modest way. In addition reorganisation of production along more efficient lines was possible, with separate workshops for each stage: including an engine shop, a fitting shop, test benches and a frame shop. A running shop a pattern shop and a body, trimming and paintshop were also planned.(2) At this time, however, the Vauxhall coach work was custom made by Messrs Morgan and Company of Long Acre; (3) a general practice in the car industries at this time.

Cheaper rates of pay for labour was another possible factor in the move. A Guildford firm (probably Dennis Motors) had moved from London for this reason and had influenced Vauxhall to do likewise.(4)

Shortly after its arrival in Luton Vauxhall was plunged into a dispute involving the Amalgamated Society of Engineers, which was demanding extra payment for night shift work. Alfred Ash, the works manager was the major spokesman for the firm at Engineering employers - A.S.E. tribunal held at York (5) From this dispute we learn that the West Hydraulic Company had been paying time and a half in Bradford, and

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(1) Op.cit, Luton Saturday Telegraph, 23rd Nov. 1935.

(2) The Engineer, 31st March, 1905. Luton News, 30th March 1905 p.3, col.1.

(3) Mentioned in numerous advertisements in Autocar, 1904.

(4) Luton News Supplement on Industry, 26th March 1964, p.4. No source is indicated by the writer.

(5) Engineering Employers Federation Archives May, 1905. Micro-film ref. N (2) 7.

had abolished that practice on moving to Luton in 1903. The Luton New Industries Committee mentioned in trade journals the lower wage rates of the district coupled with a lack of unionism, as specific attractions for firms moving to the town. (1) The Engineer also mentions 'high wages' as a strong reason for Vauxhall and other London companies to 'move from the Metropolis.' (2) In 1906 Commercial Cars moved from London to Luton where it also achieved comparable growth to that of Vauxhall in the pre 1914 period. (3)

The New Industries Committee proclaimed reduced rates as an additional incentive to move to Luton, as well as cheap electricity (Luton was an early town to have electrification), cheap gas, and the availability of sidings on the main London-Midland railway. (4) Other towns offered some of the favourable conditions but the shared site was probably the main attraction for Vauxhall.

One intriguing question must be asked. Why did a marine engine firm move to a town which was not on or near a navigable river? There are no documents available which answer this. The Grand Union canal passed through neighbouring Dunstable but Vauxhall did not choose to move there. It seems likely that the distance from navigable waterways was not important. Many Midland firms such as Humber and Daimler in Coventry produced marine engines without their works being located near large or navigable rivers. The engines could be bench tested and taken by railway to their customers. The Vauxhall works had its own railway sidings off the main London - Midland line.

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- (1) Engineering, Thomas Keens 'Luton as an Industrial Centre' 13th April, 1900. p.10
  - (2) The Engineer 31st March, 1905. Vol. XCIX, No. 2570
  - (3) Progressive Luton The Empire Trade League (Luton, 1933) p.19  
Luton News 17th August, 1911 p.7 col.4
  - (4) Thomas Keens Ibid, p.3



T.W.Holtom informs us that by 1905 the company felt it was making too many different products 'and this diversity did not work out too well.' (1) We must assume that they were unsure which direction the firm was going to take. In that year the company formally amalgamated with the West Hydraulic to form the Vauxhall and West Hydraulic Company L.T.D., and the board was increased from six to nine.(2)

This meant that cars, pumps, refrigerator equipment and hydraulic machinery was being produced as well as marine engines. The solution to the problem was to legally separate the car side of the business in 1907 to form Vauxhall Motors Limited. (3) The Vauxhall management was uncertain on which products to concentrate in those early erratic days of the car industry; they did not want to put all their eggs into one basket. Events proved that the future lay with motor cars and by 1908 the Vauxhall and West Hydraulic parent company had had its capital reduced in value from £50,000 to £25,000.(4) The company limped on through the 1st World War but was finally wound up in 1918; the only two directors left being William Gardner, of the original Vauxhall Iron Works, and Benjamin Todhunter, one of the original owners of the West Hydraulic works.(5) That the original firm's product, marine engines, faded because it moved to Luton is doubtful. The more likely explanation is that the car side became comparatively more successful. By 1911 marine engines were only built to order

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(1) T.S.Holtom 'Memories of Vauxhall: Part Two' Luton Saturday Telegraph, 3rd April, 1936. p.7

(2) P.R.O. B.T.31 Special Resolution, 17th April, 1905

(3) The Times 15th April, 1907, p.14 col.1. The announcement is the only contemporary documentation available of this separation. Vauxhall themselves have no record, and the Companies House Vauxhall file only begins in 1914, when the motor car side was reconstituted once again. The P.R.O. Vauxhall file does not contain references to this either.

(4) P.R.O. BT 31 Affidavit to Reduce Capital 11th Nov. 1908.

(5) Ibid Special Resolution. 9th July 1918. Return of the Final Winding Up Meeting 24th Sept., 1919.

and they were advertised with designs and estimates for aeronautical engines, not a side of the business that developed. (1)

The formation of Vauxhall Motors in 1907 gave a balanced leadership to the company for the first time. Leslie Walton was appointed Chairman and joint Managing Director with Percy Kidner. Walton was very much a financial man. He was born in 1882 in Croydon, and was educated at Eton, after which he received commercial training in a private bank in the City of London. He later joined his father's business as a hop merchant before taking up his Vauxhall posts.(2) He owed his position not only to his financial experience but also because he was a major shareholder.(3) Percy Kidner had joined the Vauxhall Iron Works in London in 1903, had purchased 2,000 preferential shares, and had replaced John Chambers as joint Managing Director after Chambers resignation from the firm in that year.(4) He was an engineer and later became a works driver in competitions. The other major force on the board was Frank Hodges, who was appointed Consulting Engineer.(5) It was Kidner and Hodges who undoubtedly pushed the motor car side of the firm before forming the separate company for this purpose. This breed of men strove for engineering worthiness but like the relationship between Rolls and Royce, Walton, the businessman, attempted to keep them on the road of solvency and profitability. Both types of specialist were needed, and unfortunately too many car firms placed much emphasis on engineering excellence rather than vehicle production as a viable commercial venture.(6)

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- (1) Vauxhall Motor Carriages Vauxhall Motors catalogue, (Luton, 1911) p.60.
  - (2) Who's Who in the Motor Trade (Eds.) P.Peters and H.Thornton Rutter (1934) p.155
  - (3) Although no evidence has been unearthed as to how many shares he owned at this time, Vauxhall Motors (1914) Ltd. indicates a large holding.
  - (4) P.R.O. BT 31 Register of Directors 28th Dec., 1903.
  - (5) Derbyshire Op.Cit., p.18
  - (6) Saul op.cit. p.41

Royce in his search for technical perfection was constantly holding up the flow of production, and was removed to a small research establishment. Lanchester's ideas, though excellent, were often too far in advance of commercial developments within the industry. Hodges was not in the class of such men as Royce and Lanchester. Under his engineering leadership 'the company had been making cars of no particular distinction.' (1) The table below hints at this change of engineering style from 1906 onwards when Laurence H. Pomeroy's influence on the firm begins.

TABLE 1 Vauxhall Models 1903-1913 (2)

<u>Year</u>	<u>Year ceased</u>	<u>Name/Type</u>	<u>H.P.</u>	<u>Cyls.</u>	<u>Price</u>
1903	1904	-	5	1	£150
1904	1905	-	6	1	£150
	1908	12/14	12	3	£375
1905	1905	-	7/9	3	-
	1907	-	18	4	£475
1906	1908	12/16	21	4	£375
	1907	-	9	3	-
1907	1907	12/14	16.8	4	-
1908	1910	12/16	21	4	£350
	1911	A09	20	4	£465
	1911	B09	16	4	£390
1910	1910	B10	27	6	£535
	1912	A11	20	4	£525

(1) Kent Karslake and Laurence Pomeroy (jnr) From Veteran to Vintage (1956) p.86

(2) Vauxhall Facts and Figures (Luton, 1966) Vauxhall P.R.Dept.

<u>Year</u>	<u>Year ceased</u>	<u>Name/Type</u>	<u>H.P.</u>	<u>Cyls.</u>	<u>Price</u>
	1912	B11	29	6	£665
1911	1912	C10	20	4	£485
1912	1912	S	20	4	-
	1913	A12	20	4	-
	1915	'Prince Henry'	25	4	£565(£515)(1)
	1915	A	16/20	4	(£375) (1)
	1916	B12	35	6	(£650) (1)
	1922	D	25	4	£465(£480)(1)
1913	1915	E	30/98	4	

Despite the pedestrian qualities of Hodges' designs they proved to be profitable for the company. The price of the early voiturettes ranging between £150 and £375 suggests that the company was aiming at the professional class, which at the time was the lower end of the market. One of Vauxhall's first recorded customers was a doctor.(2) At the Olympia Show of 1905, 434 types of car were displayed, at an average price of £600 with the most expensive costing £2,500.(3) The Edwardian car market and the growth of engineering knowledge soon influenced Hodges to build more elaborate and larger cars. The market demand was dominated by the wealthy who mostly regarded motoring as a leisure and sporting pursuit, and wanted good performance and ostentation rather than economy. Body work was becoming increasingly heavy as tops, sides and windscreens were fitted, resulting in the need for stronger chassis and more powerful engines. One notable failure which originated in an attempt to cater for the upper class market was based on an idea by Lord Ranfurly. A hansom cab body was imposed on a 5h.p. chassis, and the chauffeur was to be seated at the back of the

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- (1) Prices in brackets are taken from The Car Super Excellent, The Catalogue of the Vauxhall Motor Carriage (Luton, 1914) pages 4-7.
- (2) Letter to Autocar May, 1904. Quoted in Derbyshire op.cit. p.13
- (3) Karslake and Pomeroy op.cit. p.53.

vehicle exposed to the elements, while his employers rode in comfort in the cab section. (1)

More significantly, Hodges produced the 3 cylinder '12/14' model, which priced at £375 was a £225 increase and heralded the departure from the inexpensive light car class.

Once Vauxhall had settled in Luton, towards the end of 1905 a 4 cylinder 18 h.p. model, was produced priced at £475, and in the following year a 21 h.p. '12/16' came on the market. After this time Vauxhall rarely produced a car below 20 h.p. until the First World War.

While Hodges was not a great innovator he did succeed in adapting to the changing market and incorporated some of the new features which were constantly being introduced by the industry. In 1906 the '12/16', with a 4 cylinder engine, was basically a new design. It was in the main the work of L.H.Pomeroy, a man whose engineering design skill was to elevate Vauxhall from a run-of-the-mill car producer, to a firm with an enviable reputation.

Laurence Henry Pomeroy was born in 1883, and became apprentice at the age of 16 to the North London Locomotive Works in Bow; simultaneously he commenced a four year engineering course at East London Technical College. In 1903 he won a Whitworth Exhibition, and by the age of 20 'he had a formidable knowledge of mathematics, science and engineering'. (2) In searching for early jobs he found his academic qualifications of little account, and it was not until he mentioned that he was capable of working in the shops if necessary

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(1) Derbyshire op.cit p.12

(2) Karslake and Pomeroy op.cit. p.85

that he found himself acceptable. (1) After working briefly with a London civil engineering firm and a Basingstoke vehicle company, he took up a post at Vauxhall in 1905 as a junior draughtsman, and in 1906 was promoted to assistant chief engineer to Hodges. Vauxhall's strong tradition of building and designing engines enabled the firm to attract such a talent as Pomeroy's and allow it scope to develop. Many other car firms at this time were simply assembly plants. (2) The first fillip which Pomeroy gave to Vauxhall's fortunes was in 1908 when a new car was needed to enter the 2,000 mile R.A.C. Trials. Hodges, the chief engineer, was away in Egypt and Pomeroy was not slow to seize the opportunity presented to him. By the time of Hodges return, L.H.P.'s design was well on the way to completion but 'not without opposition from many of the older members of the firm.' (3) The car went on to win the trial for its class, and earned the distinction of the least stoppages of all cars in any class. The next lowest to the 20 h.p. Vauxhall was the Rolls-Royce 'Silver Ghost.' The Auto Motor Journal summed up by saying: 'That the 1908 performance brought the 20 h.p. Vauxhall from a comparatively uninteresting background into the full glare of public interest.' (4) The opposition within the firm was no doubt quelled by the fact that Percy Kidner, the joint managing director, drove the car in the trial; and from this time it appears that Kidner, Pomeroy and A.J. Hancock pushed the old members of the firm, such as Hodges and Ash, into the background.

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- (1) op.cit., p.85 Karslake and Pomeroy
  - (2) Argyll, Dennis and Clement cars bought their engines from Aster and White and Poppe, for example, and merely produced the chassis. Singer and Morris also began in a similar fashion. Saul op.cit. p.p.34,35.
  - (3) Derbyshire op.cit., p.19.
  - (4) Quoted in Karslake and Pomeroy op.cit. p.87

Alfred Hancock came from a similar background to that of Pomeroy. He was born in 1884, attended St. Olaves Grammar School, London and the Borough Polytechnic, and was apprenticed for 5 years at the Vauxhall Iron Works. Under the tutelage of Kidner and Pomeroy he was to emerge as the main works driver for Vauxhall and participated in over 120 races both nationally and internationally. In 1914 he was appointed General Works Manager the post previously held by Hodges, (1)

In the next six years Pomeroy produced two outstanding vehicles based on the development of the 20 h.p. car of 1908. They were the 'C' type, also known as the 'Prince Henry', and the '30/98'. The technical advances in the industry were rapid from 1907 onwards, and by 1914 the car had much more in common with the model of 1934 than it had with the design of 1904. (2) The '30/98' though first built in 1913 is regarded as a vintage rather than a veteran car as the major part of production took place in the years after the 1st World War. It remained in production in various forms until 1926, strongly rivalling Bentley products.

Pomeroy was regarded as 'one of the most influential engineers in the industry', (3) and therefore, comparable with Lanchester and Royce, but his closest rival was Louis Coatalen of Sunbeam in terms of racing designs and prowess. Both men had a fundamental influence on the direction and development of their firms, creating a respected marque through reputations gained in competitions. Both firms expanded as

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- (1) 'Who's Who in the Motor Trade' (Eds.) P. Peters and H. Thornton Rutter (1934) p.63.
  - (2) Karslake and Pomeroy op.cit p.5
  - (3) M. Seth-Smith The Long Haul: A Social History of British Commercial Vehicle. (1975) p.109.

a result of the excellence of their designers. The table below illustrates the expansion of Vauxhall which was marked from 1909.

TABLE 2 Total Output, Employees and Floor Area of Vauxhall: 1903-1913 (1)

<u>Year</u>	<u>Car Output</u>	<u>Employees</u>	<u>Floor Area</u>	<u>Output per Employee</u>
1903	43	150*	$\frac{1}{2}$ acre	.28+
1904	76	180*	$\frac{1}{2}$ acre	.42+
1905	1	180*	1 acre	change of site
1906	15	180*	1 acre	.08+
1907	69	200*	$1\frac{1}{2}$ acres	.34+
1908	94	250*	2 acres	.37+
1909	195	350*	$2\frac{1}{2}$ acres	.55+
1910	243	460*	3 acres	.52+
1911	265	500*	3 acres	.53+
1912	302	560*	4 acres	.53+
1913	387	575	4 acres	.67+

\* Estimated figures - no records.

+ Calculated from columns 2 and 3.

The five fold increase between 1907 and 1913 seems impressive, but although one of the 29 major car producers, Vauxhall's output was small.(2)

The Model 'T' factory at Manchester had an output of 6,000 vehicles in 1913, which would have accounted for just under one-fifth of the total British vehicle output of 34,000. Wolseley was second largest producer with 3,000, and the other leaders were Humber 2,500, Sunbeam, 1,700, Rover 1,600 and Austin with 1,500 cars. (3) These six firms accounted for nearly 50 per cent of British vehicle production. Vauxhall's expansion had been slow by comparison with Sunbeam. The first Sunbeam car had been produced in 1899, four years before Hodge's

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(1) Vauxhall Facts and Figures P.R.Typescript (Luton,1966).  
There is no indication as to how these estimates were calculated.

(2) Sunbeam's output was as follows:-

1909	100
1910	515
1911	853
1912	2,350
1913	1,700

Source: Saul  
op.cit p.29

The steep rise in Sunbeam's output between 1909 and 1910, and its continuing increase, is attributed to Coatalen's 12-16 h.p. model. Saul Ibid p.29

(3) Saul op.cit. Table 3, p.25



one cylinder voiturette, but even by 1906 Sunbeam's output was only 161 cars<sup>(1)</sup> At this time the two firms were fairly comparable in size but Sunbeam expanded rapidly after 1908. The authorised capital of Sunbeam was only £40,000 in 1905 <sup>(2)</sup>

Pomeroy's son reminds us, however, that size and output are not necessarily synonymous with profitability, and that Vauxhall 'made a net profit of about 10 per cent on the catalogue price of each car.' <sup>(3)</sup>

Table 3 indicates the annual breakdown of profits and sales before director's fees and income tax were deducted.

TABLE 3 Sales and Pre-Tax Profits of Vauxhall 1909-1914 and a comparison with Sunbeam <sup>(4)</sup>

<u>Year</u>	<u>Sales</u>	<u>Profits</u>	<u>Capital</u>	<u>Sunbeam Profits</u>	<u>Capital</u>
1909	£89,786	£12,939	N/A	£90	N/A
1910	£120,326	£18,722	N/A	£20,700	N/A
1911	£127,539	£ 7,651	N/A	£41,000	N/A
1912	£176,217	£16,984	N/A	N/A	N/A
1913	£220,690	£30,868	N/A	£94,909	£120,000
1914	£260,670	£21,173	£200,000	N/A	N/A

Because of expenses involved in works reorganisation profits fell in 1911. Sunbeam's profits of £94,909 in 1913 on a capital of £120,000

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(1) Saul op.cit Table 2, p.24.

(2) David Scott-Moncrieff Veteran and Edwardian Motor Cars (1955), p.156.

(3) Karslake and Pomeroy op.cit. p.p.90.

(4) Vauxhall Auditor's Report 27th April, 1914. Companies House Vauxhall File No. 135767. For years ending 31st December, 1909-1913. Report to the Directors 1914, Vauxhall Motors Archives.

Sunbeam figures are quoted in Karslake and Pomeroy op.cit.P.92

can only be described as spectacular, and by such comparisons Vauxhall's progress seems somewhat sluggish. Obviously concerned that it was producing below works capacity, despite the expansion and the use of modern machinery(1) the firm was reconstituted and recapitalised in 1914 under the title of Vauxhall Motors (1914) Ltd.(2) Hodges had been more sceptical of the commercial value of sporting successes than Pomeroy and Kidner, (3) but Sunbeam had pursued a competitive racing policy.

Pomeroy was aware of the means to attain efficient production which he sought to achieve ensuring that machinery was up to date and work flowed well organised on a card indexing system of job allocation which involved the timing of jobs.(4)

The major reason for its lack-lustre sales performance compared with that of Sunbeam has been ascribed to lack of business acumen.(5)

This is rather a vague concept and the writer does not elaborate.

Vauxhall vehicles were in great demand after the success achieved by Pomeroy's cars, but they could not meet that demand. The potential works capacity was present but external capital was lacking.

Vauxhall was singularly unsuccessful at attracting capital and much of its expansion was reliant on debenture issues and the ploughing back of profits, as in the case of the Vauxhall expansion of 1911.

Even before reorganisation in 1914 shareholdings only amounted to £19,297 of a possible issue of £30,000.(6)

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- (1) 'A visit to the Vauxhall Works' Luton News 2nd November, 1911 p.7, cols. 4, 5 & 6. Luton News 14th November, 1912 p.7 cols. 6 & 7. The Car Super Excellent, The Catalogue of the Vauxhall Motor Carriage (Luton, 1914) p. 43, 44 and 46.
  - (2) Memorandum and Articles of Association 12th May, 1914 Companies House Vauxhall File No. 135767.
  - (3) K. Ulliyett The Vauxhall Companion (1971) p. 54
  - (4) The Car Super Excellent op.cit. p. 47
  - (5) S.B. Saul 'The Motor Industry in Britain to 1914' Business History V (1962). p. 34.
  - (6) Valuation of Vauxhall Motors Ltd. 10th March 1914. Companies House Vauxhall File No. 135767.

A slow accumulation of capital could not be regarded as a disadvantage up to 1908, but thereafter when Vauxhall vehicles were in demand, it was a hindrance.

The Board of the reorganised company sought to rectify this position. The nominal capital of Vauxhall Motors (1914) Ltd. was issued at £200,000 in ordinary shares, of which £66,000 were to be taken in part purchase of the old company. This left £134,000 to be issued, of which £44,000 had been taken up by the directors,(1) thus was effected a considerable rise in Vauxhall's capital.

Company reorganisation was accompanied by a disappearance of all except existing directors and they were replaced by Leslie Walton, his brother Alfred, Laurence Pomeroy, and John Maitland, a banker. Leslie Walton and Kidner were the joint managing directors of the new company.(2)

Considerable optimism was expressed by the Board concerning the 'new' venture, and projected profits for 1914 were expected to top £40,000, and be even higher in 1915.(3) The initial effects of the war were to thwart these hopes, despite the fact that the previous year was its most successful in racing and competitions. Profits fell to £21,173. Walton, who was appointed Chairman, following Maitland's death in 1914 reported that this was mainly due to '150 men out of a staff of 700 joining the colours, and consequently the rate of

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(1) 'Nominal Capital Vauxhall Motors (1914) Ltd.' 1st May, 1914.  
Op.Cit

(2) 'Articles of Association.' Op.Cit

(3) The Times 18th May, 1914 p.20 col.6.

production was affected.' (1) The company was saved by orders from the War Office which took Vauxhall's entire output; but only one car, the 25 h.p. model was to be built and used as an army staff car. In addition, the Admiralty and War Office awarded large contracts to Vauxhall for the manufacture of fuses, which was to require the equipping and building of an entire factory.(2)

By 1916 all available land adjoining the works was purchased with a view to extensions.(3) In order to finance the extensions a further 100,000 ordinary shares were issued. New offices and stores were erected and extensions made to the running shop.(4)

Guaranteed sales slightly higher than pre-war market prices together with the sales resulting from the fuse department ensured healthy profits. By the end of the war a further £100,000 of shares had been issued bringing a total £400,000; meanwhile since 1915 shareholders had received an annual dividend of 10%.(5) Profits in 1919, however, provided an indication of the problems which Vauxhall was to face in the 1920's, as the following table reveals:

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- (1) Report of the 1st Ordinary General Meeting The Times 9th April, 1915 p.6, col.4.
  - (2) Ibid. p.6, col.4.
  - (3) Report of the 2nd Ordinary General Meeting The Times 14th April, 1916 p.14, col.5.
  - (4) Ibid. p.14, col.5
  - (5) Extraordinary Resolution. Nominal Capital Increase. 19th November, 1919. Companies House Vauxhall File, No. 135767.

TABLE 4 Vauxhall Sales, Profit and Capital 1914-1929 (1)

<u>Year</u>	<u>Sales</u> <u>Motor</u> <u>Dept.</u> <u>£s</u>	<u>Fuse</u> <u>Dept.</u> <u>£s</u>	<u>Issued</u> <u>Capital</u>	<u>Actual</u> <u>Profits</u> <u>£s</u>	<u>Profit on</u> <u>Trading</u> <u>£s</u>
1914	260,000	-	200,000	21,173	n/a
1915	411,584	-	"	56,028	n/a
1916	315,896	216,074	300,000	70,000	n/a
1917	376,579	239,135	"	79,327	n/a
1918	483,698	418,263	"	67,100	n/a
1919	595,590	50,087	400,000	25,800	
1920	812,579	-	600,000	35,222	53,179
1921	519,240	-	"	-221,758(loss)	none
1922	542,127	-	"	- 76,710(loss)	-49,000 (loss)
1923	983,790	-	"	54,132	105,459
1924	1,000,528	-	"	50,066	101,279
1925	n/a	-	300,000*	36,082	91,283
1926	n/a	-	600,000	36	36
1927	n/a	-	668,000	-320,943(loss)	-320,943(loss)
1928	n/a	-	750,000	-266,340(loss)	-195,114(loss)
1929	n/a	-	"	-283,791(loss)	-209,913(loss)

\* Capital halved into 300,000 ordinary shares @ 10/- each, and 300,000 Preferential shares @ 10/- each.

The 1919 downturn in profits was viewed as temporary and attributed to excess profit tax, the change over from war to peace time production, and the loss of war contracts in the fuse department.(2)

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- (1) Sources: Companies House Vauxhall File, No. 135767; Reports to the Directors 1914-1929; Vauxhall Company Archives; Reports of the Ordinary General Meetings, The Times, 1914-1925.
- (2) 'Report to the Directors,' 1922. p.5.

In addition the Russian Branch, which had been opened in 1911 (after royalty and nobility had shown an interest in Vauxhall cars) lost money regularly beginning in the revolutionary year of 1917. Finally in 1922 the Board decided to write off the sum of £18,305, as it was unable to continue trading 'in view of the present uncertain state of affairs in Russia.' (1)

#### Struggle for Survival 1920-1925

During the 1st World War Vauxhall had built nearly 2,000 staff cars for the British Army, and possessed as did the Crossley Car Company the major advantage of having been in continuous vehicle production since 1914; reconversion seemed to present few problems which prompted considerable optimism for future prospects. Far from such hopes being realised however, the company began to sink deeply into financial crisis from 1921, and by the middle 1920's the firm's continued existence was under threat.

There are a number of reasons for this, including unsound managerial policies which were manifested in over expansion at the end of the War, the resumption of competitive racing at a time of slump, and the production of the wrong type of models.(2) Vauxhall was not alone in suffering from such defects - some of which had been part of a success story in the pre-war years. The basic reasons lay in the effects of the post-war depression, and the fundamental change in the motor car market during the 1920's, led by the large producers

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(1) 'Report to the Directors' for the Year Ending 31st December, 1921 Presented at 8th Ordinary General Meeting 27th April, 1922.

(2) This can be summed up as weak management and weak management policies, and the 1920's market starkly revealed this 'lack of business acumen' to which Saul refers. S.B.Saul 'The Motor Industry in Great Britain to 1914' Business History V (1962) p.34.

such as Ford, Morris and Austin. Of these the change in the car market was by far the most important, and this development was not to be fully recognised until well into the decade. Such developments were therefore not apparent to car producers in the seller's market that prevailed in the immediate post-war years. Anxious to cash in on the boom of a vehicle starved market, many new firms entered the industry and those in existence planned extensive expansion programmes between 1918 and 1921. Vauxhall's capital was increased by £200,000 in 1920 to £600,000,(1) and an additional  $1\frac{1}{2}$  acres of floor space was added. This more than doubled the size of the Vauxhall works of 1914. Kimpton Road, which serviced the works, was metalled and 320 workmen's houses were built on a site nearby. In addition an apprentice scheme had been introduced with classes in various trades.(2) In 1921 17 acres of playing fields with attendant facilities had been opened 'as comprehensive provision for worker's recreation.'(3) Finance was provided by bank overdrafts to the value of £246,000 in 1919(4) and by the issue of £300,000 on short term notes, repayable in 1925. (5) Perhaps the most unwise of Vauxhall's moves was to invest £90,000 in S.F.Edge's A.C.Cars Ltd.(6), which was to go into liquidation along with numerous other firms during the 1920's. The consequence of the boom conditions included high car prices which were caused by the rapid increase in labour and material costs.

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- (1) 'Extraordinary Resolution' 12th February, 1920. Companies House, Vauxhall File, No. 135767.
  - (2) Luton News 11th December, 1919. p.5 and 24th January, 1918,p.7.
  - (3) Luton News 7th July 1921, p.4.
  - (4) 'Report to the Directors of 6th Ordinary General Meeting' 20th April, 1920.
  - (5) The Times 7th October, 1920, pp.14 and 15.
  - (6) The Times 'Report of 8th Ordinary General Meeting', 28th April, 1922 p.23.col.5.  
The Company was named by Michael Sedgwick in Vauxhall (Beaulieu, 1981) p.17. No evidence is available as to why this investment was made.

Prices rose from a pre-war peak of £650 for a Vauxhall 35 h.p. 6 cylinder model to £1,960 for the 4 cylinder 23 h.p. '30/98' model in 1919.(1) The 25 h.p. 'D type' which had been the only car to be produced during the war, was to be marketed at £875 in 1918 but in 1919 was selling at the much higher price of £1,450.(2) Despite the bouyant post-war market, firms could only be profitable if enough cars could be sold with a wide profit margin on each model. At that time those such as Vauxhall, Daimler, Sunbeam and Crossley could not achieve these ends. This was because the hand craft methods of production which these firms and most others employed, were unable to produce vehicles in large enough numbers.(3) This would entail a change to mass production methods. Therefore when the boom collapsed in 1920/21, demand for cars fell away by almost 50 per cent while prices remained high, and profitability evaporated quickly. Even a relatively large producer such as Austin ran into serious financial difficulties.(4) However, Austin was already planning to produce a 7 h.p. mass produced car in the Summer of 1920.(5) The Austin 'Seven' was to retail at £225 in 1922, which was soon to fall to £165 by December, 1923. (6) By mass producing low priced cars such as the 'Seven' and Morris, the 8 h.p. 'Cowley', large profits could be realised by catering for a cheaper and wider market.

Vauxhall and its rivals, which were producers of cars in the medium

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- (1) 'Vauxhall Facts and Figures' Vauxhall Motors (Luton 1966).
  - (2) Sedgwick Op. Cit. p.30
  - (3) R.J.Overy William Morris:Viscount Nuffield (1976) p.16.
  - (4) Roy Church Herbert Austin: The British Motor Car Industry to 1941 (1979) p.50
  - (5) R.J.Wyatt The Austin Seven: The Motor for the Million (1968) P.19.
  - (6) Wyatt Ibid, pp. 22 and 24.



luxury and touring range immediately felt the slump in the market. Despite Walton's proclamation in 1920 that 'high prices will rule in our industry.... Even if there was overproduction it will certainly not be in the type of car that we manufacture,'(1) by the end of the year the £1,300 model had been reduced to £1,050 and the £1,950 model reduced to £1,675.(2) All firms did likewise, following the example of Morris which had cut prices of the 'Cowley' 2 seater from £465 in 1920 to £299 in October 1921, and the 'Oxford' 2 seater from £535 to £415. By 1928 the 'Cowley' 2 seater and 4 seater respectively were priced at £142 and £170, and the 'Oxford' 2 and 4 seaters, £210 and £225.(3) Such price decreases could only be achieved by mass production methods and the wholesale buying out of components, a further feature of which was the manufacture and assembly of the car as a whole, including the body work and finish.

The medium luxury car firms of which Vauxhall was representative could not hope to compete and this type of producer suffered quite severely as the mass producers making efficient, reliable and cheap cars, squeezed them out. Vauxhall, Sunbeam and similar firms were either forced to compete, by adopting such methods, or had to become producers of high quality vehicles for a limited market in which high prices could be profitable. In effect such firms were caught between two stools.

These trends were not to be fully appreciated until later in the

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- (1) The Times 20th April, 1920.p.25,col.5. 'Report of the 6th Ordinary General Meeting'
  - (2) The Times 4th October, 1920. p.10, col.5.
  - (3) R.J.Overy Op.Cit. Table 5,p.132.

decade, but even in 1922 Vauxhall management still expressed a belief in the market for the larger car once that trade had revived sufficiently.

'Everyone who has purchased a small car to do the work of a big car is going to buy the 25 h.p. Vauxhall or something similar, as soon as he is once again able to afford it.....the uses to which a small car can be put are relatively limited.' (1)

Such desperate optimism was held in the knowledge that Vauxhall had sustained losses of £221,758 in 1921.(2) With heavy capital commitments and debts in the form of bank overdrafts and short term notes, the Vauxhall board reluctantly turned to the production of a smaller vehicle which they hoped would increase sales. The results of this policy change was the production of the 'M Type 14/40' in 1922 retailing at £650 - a considerable drop in the normal Vauxhall price. The firm, no doubt, took comfort in the fact that Sunbeam, Crossley and Humber also began production of 14/40's, although these rivals would narrow that market considerably. The interesting thing is that firms of a like nature responded in a similar fashion to the market change. The number of car sales increased in each of these companies, as the following table indicates, but 'alas the market for these steadily dried up, and slowly the ranks of the specialist producers withered.' (3)

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(1) The Times 28th April, 1922. p.23, col.5. 'Report of the 8th Ordinary General Meeting.'

(2) See Table 4, page 20.

(3) Lord Montagu of Beaulieu Lost Causes of Motoring (1960) p.5.

TABLE 5 Output of Cars, Number of Employees and Floor Area of Vauxhall Motors 1919-1929 (1)

<u>Year</u>	<u>Car Output</u>	<u>Employees</u>	<u>Floor Area</u>
1919	565	750*	8½ acres
1920	689	1023	9 "
1921	479	1210*	9½ "
1922	637	1390*	9½ "
1923	1462	1570*	10 "
1924	1366	1750*	10 "
1925	1388	1820*	10½ "
1926	1516	1934	10½ "
1927	1654	2277	11 "
1928	2589	1477	11½ "
1929	1278	1552	11½ "

The '14/40' was one of the fruits of C.E.King's work as Chief Engineer. King was a capable engineer and had served his apprenticeship in Adams Motors in nearby Bedford, later becoming their designer and then moving to the post of Assistant to the Directeur Technique Societe Lorraine de Dietrich in Paris. He joined Vauxhall in 1914, first as a designer and then as Assistant Chief Engineer, under Pomeroy, and became Chief Engineer on the resignation of Pomeroy in 1919. (2)

King was content, in the main, to improve rather than innovate and this conservative approach contrasted strikingly with that of Pomeroy.

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- (1) 'Vauxhall Facts and Figures' Vauxhall Motors, Luton (1966)  
\*Estimated figures - no records. It is not known from which months figures for car output and employees are taken for a 12 month period.
- (2) Who's Who in the Motor Trade (Eds.) P.Peters and H.Thornton Rutter (1934) p.82.

Nevertheless, the '14/40', the 'OE' and the 'OD', his two other designs, based heavily on Pomeroy's work, were considered to be excellent examples of the good vintage car and well within the tradition of Vauxhall 'Super excellence.'<sup>(1)</sup> The 14/40, however, became the mainstay of the factory until 1925, from which came 30 cars a week, a high rate by Vauxhall's previous standards and providing employment for 2,000 workers.<sup>(2)</sup> The following table of Vauxhall vehicles in the 1920's clearly indicates that they still produced predominantly more powerful vehicles other than the '14/40' for the rest of the decade.

TABLE 6 Vauxhall Models 1919-1930 (3)

<u>Year</u>	<u>Year Ceased</u>	<u>Name/ Type</u>	<u>H.P.</u>	<u>Cyls.</u>	<u>Price</u>
1919	1922	D Type	25	4	£1,300-£1,050
	1922	E Type	'30/98'	4	£1,960-£1,350
1922	1925	M Type	'14/40'	4	£650
	1926	OD Type	23/60	4	£695
1923	1926	OE Type	30/98	4	-
1924	1927	LM Type	14	4	£815-495
1925	1927	25/70	25	6	£1,675-1,350
1927	1928	R Type	20	6	-
	1929	20/60	20	6	£475-375
1929	1929	R Type	21	6	-
1930	1933	Silent 80	23	6	£750-565

While Vauxhall cars were well made and enjoyed a considerable reputation they lagged behind in some areas of technical developments. The first 14/40's produced, for example, had side valves, as did the E Type, when rivals were installing over-head valves which gave better performance. The E Type front wheel brakes were always suspect,

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(1) M.Sedgwick Vauxhall (1981) p.17

(2) C.Clutton and J.Stanford The Vintage Motor Car (1961 edition, 1st pub.1954) p.156.

(3) 'Vauxhall Facts and Figures' Vauxhall Motors, Luton (1966).

especially in a car which had a powerful engine. Four wheeled brakes and over head valves were not incorporated until the middle of the decade; but by 1925 the 14/40 'had developed into a very pretty touring car.' (1)

The 30/98 was always highly regarded, but by the middle of the decade the original 1913 design was becoming outmoded. Price cutting exerted additional pressure. The 14 h.p. L.M.Type, which was a modified 14/40 and priced at £495 in 1927, (2) stood up well to the slightly superior Sunbeam 14/40 priced at £625 in the same year.(3) The Humber 14/40 at £460 performed less well than the Vauxhall. (4) None however could compete with the Morris Oxford tourer at £300, and even though its performance was inferior to that of the Vauxhall and Sunbeam, the car was reliable, easy to maintain and, above all, cheap.

In the larger car market Vauxhall also found considerable competition. The 6 cylinder 25/70 or S Type, was an attempt to maintain a position in the market after 1925 but retailed at between £1,675 and £1,350; whereas the Sunbeam 20/60 handled better and had better brakes and sold for only £950 in 1926. (5) In terms of reliability and performance neither car could compete with the Rolls Royce 20 h.p. which retailed at a similar price to the Vauxhall S type, but

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(1) Clutton and Stanford op.cit. p.157

(2) See Table 6, p.27 above.

(3) G.Bishop 'Sunbeam: Milestones of Motoring History' in The World of Automobiles: An Illustrated Encyclopaedia of the Motor Car (Undated, late 1970's) p.2250 (Ed,I,Ward)

(4) G.Bishop 'Humber: Quality and Comfort Before Performance' Ibid p.985.

Rover, Crossley, Bean all produced 14 h.p.cars and Star,Singer and Straker-Squire produced 15 h.p. models. This middle range market was heavily competitive in what was to become a relatively declining market.

(5) I am grateful to Mr.Brook, Librarian of the Veteran Car Club, for this information, and some members who spent time debating the merits of Vauxhall vehicles and their rivals in the 1920's. Robert Gray Rolls on the Rocks: The History of Rolls Royce (Salisbury, 1971) p.54.

combined superb workmanship and finish in body and trim.

Attempts to compete in the large and small medium range markets were unsuccessful. The basic problem for Vauxhall, Humber, Sunbeam and similar companies was their low productivity which prevented effective price competition with producers such as Morris, Ford and Austin.

By the mid 1920's Vauxhall had made an attempt to remedy low productivity by reorganising the works along a quasi-assembly line for the insertion of the engine and other adjacent parts of the chassis.(1) It was, however, ponderously slow compared with mass producer companies, and was in reality a more efficient version of the old batch system of production. The faint praise given by the Automobile Engineer after a correspondent had visited the reorganised works was almost a condemnation.

'The Company have managed to introduce some of the best features of mass production into an organisation which preserves individuality, and is sufficiently flexible to cater for the customer who is prepared to pay rather more than the price of a mass produced car.' (2)

In 1925 Leslie Walton stated the Vauxhall dilemma in bold words which could have equally applied to Sunbeam, Humber, Crossley and other firms:

'We are not equipped, we have not had the training and we have no desire to produce large quantities of cars on mass

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(1) The Automobile Engineer 'The Works of Vauxhall Motors Ltd.' October 1925 Vol.XV, No. 207 pp 341-347.

(2) 'The Works of Vauxhall Motors Ltd.' Ibid p.347

We are equipped for, and we do produce a reasonable number of high class cars at a moderate price, and this must always be our policy.' (1)

Even had there been the desire to change to mass production, the struggling concern simply did not have the capital with which to carry it out. In 1925, with the prospect of the redemption of the £300,000 Short Term Notes taken out in 1920, and large bank overdrafts, the Company was in desperate financial straits. At a special shareholders meeting Walton stated that although profits had improved during the previous two years 'it had not been enough to reduce our overdraft, or allow us to set aside a fund to repay these notes.' (2) It was proposed at the meeting to create and issue First Mortgage Debenture Stock for a total sum of £350,000 which in crude terms was tantamount to mortgaging the firm's fixed capital and assets. After seeing the capital reduced from £600,000 to £300,000, by writing off 10/- on each share in 1923, (3) and having received no dividend since 1919, the shareholders not surprisingly, raised a number of questions notably concerning the consequences of rejecting the proposal. Walton's reply was candid; the Company would have to go into liquidation. (4)

Had not General Motors stepped in in 1925 it is possible that Vauxhall could have limped on throughout the decade as did Crossley, Sunbeam, Humber and others, which were either taken over or ended in the

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- (1) The Times 1st May, 1925. p.21, col.3 'Report to the 11th Ordinary General Meeting.'
  - (2) The Times 3rd July, 1925. p.24, cols. 1,2, and 3. 'Special Shareholders Meeting Report.'
  - (3) The Times 13th April 1923, p.21, col.1. 'Report to the 9th Ordinary General Meeting.'
  - (4) The Times 3rd July 1925, p.24, cols 1,2 and 3 'Special Shareholders Meeting Report.'

bankruptcy courts.

An interesting speculative point is whether Pomeroy's resignation in 1919 really spelt the doom of Vauxhall. Laurence Pomeroy, his son, who later became the technical editor of The Motor, is clearly convinced that Vauxhall's pre-war success was largely due to his father's designs.(1) When Pomeroy resigned Frederick Lanchester wrote, 'If I had shares in the Vauxhall Company I would sell them quick.... It was nearly a one man show as anything in the country.' (2) Few would disagree that up to the 1930's Pomeroy 'was one of the best automobile engineers in the country.'(3) It is highly doubtful that had Pomeroy stayed Vauxhall would have taken a radically different course. Whereas it is true that one man can influence a firm's fortunes, as in the case of Henry Ford, William Morris and Herbert Austin, the essential difference was that their respective firms became committed to a different philosophy of car making which was to become the major force in the 1920's: that of the mass produced family car. Louis Coatalen remained with Sunbeam (S.T.D.) until the middle 1920's, but this did not prevent that firm from running into financial difficulties. Pomeroy himself went to Daimler, another firm which had a reputation based on engineering prowess, and yet in 1936 when it was running into difficulties, he was not re-elected to the board. (4) King, who took over the Pomeroy mantle at Vauxhall was a good designer very

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- (1) K.Karslake and L.Pomeroy From Veteran to Vintage (1956) p.90.
  - (2) Letter: Frederick Lanchester to Percy Martin, Feb., 1919. Daimler MSS, Box File, 28. Quoted in K.Richardson The British Motor Industry 1896-1939 (1977) p.33.
  - (3) M.Seth-Smith The Long Haul: A Social History of the British Commercial Vehicle Industry (1975) p.109.
  - (4) Richardson op.cit.p.33



much in the Pomeroy mould; and the 3 litre car produced for the Isle of Man Tourist Trophy in 1922, was partly designed by Dr. H.R.Ricardo, as consultant engineer\_\_ - another man who enjoyed an enviable reputation in engineering design. The Vauxhall 'easily beat the Sunbeam' in that event. (1)

Racing ventures, however, were no longer regarded as essential for commercial success. This was a common view during the pioneering pre-war years, and proved to be an expensive side issue to the major business of producing cheaper cars for middle class family use.(2)

In recognition of this fact Vauxhall withdrew from competitive racing in 1923, (3) as did Sunbeam in 1927.(4)

Pomeroy was primarily an excellent engineer and designer and as such was committed to making high quality cars, Vauxhall, through King continued this work, but to no profitable end in the 1920's. Other firms such as Sunbeam (STD), Bentley, Crossley, Humber and others, all produced good cars but were unable to survive. Thus, it was not engineering creativity that Vauxhall required but a change of commercial and production policy; either to concentrate in the high quality market, as Rolls Royce had successfully done or to join Morris Austin and Ford in the mass producer market.

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(1) Laurence Pomeroy The Grand Prix Car 1906-1939 (1949) p.141 .

(2) There is no doubt that in pre-war years racing had considerable merits in making a reputation, advertising the firm and consequently attracting custom. Even Henry Ford made enormous use of his record breaking '999' car to attract capital to enable him to found the Ford Motor Company. That he went on to produce the 'Model T' marks the essential differences of approach between the commercially minded Americans and the engineering perfectionists such as Pomeroy and Vauxhall. See Henry Ford My Life and Work (1922, 7th ed. 1924) pp 51 & 52, and Pomeroy's view in L.H.Pomeroy 'Automobile Engineering and the War' Proceedings of the Institute of Automobile Engineers Vol.1X, 1914. Pomeroy states 'Great Britain.... is a land of culture, and because of this demands a certain exclusiveness of product which is against quantity production on anything like the American scale.' p.343.

(3) L.C.Derbyshire The Story of Vauxhall 1857-1946 (Luton, 1946) p.39.

(4) C.Clutton and J.Stanford The Vintage Motor Car (1961 ed.) p.99

The old British management, of which Pomeroy had been a central part, did not fully realise why Vauxhall was unprofitable until faced with complete bankruptcy in 1925. Like many managements they were waiting for the market to become bouyant again after the 1921 depression; but had over extended between 1919 and 1921. They were forced to reduce prices to compete and this had the effect of reducing profit margins which led to an inability to pay debts. Vauxhall therefore remained troubled until 1925, and even after General Motors had taken over and sorted out the debts, the firm continued to make losses, because it adhered to the same model and production policies until 1928. The market for large and middle range models, although growing was relatively small. Production of the 14 h.p. model ceased at Vauxhall in 1927 and the Company relied on models of 20 h.p. and over, a class which had an even smaller appeal.

In addition the competition between firms in these ranges grew more intense as it became clear that the price cutting practices followed by Morris and Austin would influence reduction in prices at the larger end of the market, as buyers became attracted to cheaper models. In order to remain profitable there was a need to sell more cars, and although Vauxhall increased its annual output five fold between 1921 and 1928, from approximately 500 to 2,500 units, it was not enough to allow sufficient economies of scale to be made in terms of profit per unit.

Hamstrung by weak policies in the early 1920's the Vauxhall management was never able to overcome these difficulties, while large debts acted as a drain on profitability. One commentator on the 1920's British car industry has suggested that the sales department was

able to obtain orders., 'but the production department did not seem to have been able to cost their production adequately.

This includes a failure of control and co-ordination at managerial level.' (1) Inadequate costing, however, would seem to have been of marginal importance compared with the error of producing the wrong models. Unfortunately Vauxhall suffered from a good reputation and this blinded its management to the necessity for change.

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(1) A.Holme 'Some Aspects of the British Motor Manufacturing Industry During the Years 1919 to 1930' Sheffield University, M.A.Thesis, 1964. p.80. Holmes does not furnish any evidence for these conclusions.

## CHAPTER TWO

### The American Takeover of Vauxhall

Vauxhall's continued existence beyond the mid-1920's could only be assured if production and model policies changed and if it attracted sufficient capital. The acquisition of Vauxhall by General Motors in 1925 was the fertile seed of an overseas manufacturing division which was to take Vauxhall into the six largest motor vehicle producers in Britain in the late 1930's.

The history of the purchase was not without controversy and this was to greatly hinder policy-making and development in the company until the end of the decade. Within the British motor industry resentment focussed on the acquisition of a respected marque by an American mass producer. The Vauxhall Board clearly did not want the reputation of Vauxhall diminished under its new owners; and the members of the G.M. Board wrangled amongst themselves about what to do with this unpromising, relatively small company and whether a large injection of capital would be worthwhile.

Ford did not arouse the same hostility because he had established a British base well before the War when the car industry was in its infancy; but of more importance Ford did not purchase any established British car companies. G.M.'s acquisition of Vauxhall was seen by many as cynical commercialism in order to avoid tariff duties, and thence to turn the Company into a 'dismal' mass producer of 'unworthy successor (s) to the immortal 30/98.' (1)

Conscious of these criticisms particularly in the climate of British

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(1) C.Clutton and J.Stanford The Vintage Motor Car (1954,1961 ed.) p.158.

economic nationalism fostered by William Morris, among others, G.M. developed a managerial policy whereby Vauxhall was seen to be run by British management, employing a British workforce and making a British product. This also had the effect of allowing Vauxhall to have considerable autonomy in running its own affairs within the G.M. structure.

The motivation behind the General Motor's purchase was to secure an industrial base behind British tariff barriers which had been increasingly difficult to breach after the slump in car prices in 1921. (1) In the post-war boom American car exports had sold well in Britain; and 420,000 G.M. cars and trucks had been sold abroad mainly in Britain, France and Germany in 1920. (2)

In that year General Motors Overseas Operations (G.M.O.O.) felt sufficient optimism about the British market to open an assembly plant at Hendon Aerodrome, in the London suburbs. (3) The plant imported C.K.D.s (completely knocked down parts of cars) from the United States, including Buicks, La Salles, Cadillacs, Oaklands and Chevrolets, which were all subsidiaries of the General Motors empire. (4) Parts and C.K.D.s though taxed on import, paid a lower tariff than complete vehicles. Despite this advantage over most other foreign importers, the American success followed the path of other producers of large cars. The radical price reductions of the 1921 depression was the first blow, followed by the growth in popularity of smaller h.p. vehicles on the British market, led by Morris and Austin. A

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(1) Alfred P. Sloan My Years With General Motors (1965) p.315.

(2) Ibid. p.315

(3) Taped interview with Jack West who began work at the Hendon plant in 1920 and remained with the firm and Vauxhall Motors until 1965, when he retired. He was born in 1900. Interviewed Jan.1981.

(4) Sloan op.cit. p.318

British survey commissioned by G.M. in 1924, and conducted by James D. Mooney, Head of G.M.O.O., clearly pointed to tax on engine size, plus 'fees, insurance and garage charges' as placing the Chevrolet (the cheapest G.M. car import) at a 112 dollars disadvantage compared with the Austin equivalent; which, of course, was cheaper in price. (1)

G.M.O.O., therefore, was given directives: to seek acquisition of a suitable production plant in Britain. (2) Meanwhile, the Hendon plant was primarily turned over to the assembly of Chevrolets with locally made commercial vehicle bodies, in order to keep the plant busy. (3) Ironically, it was this very type of product which was to play such a large part in the Vauxhall success story of the 1930's, with the production of the Bedford truck, which could trace its origins back to the converted Chevrolet. (4)

Logically, the ideal British company G.M. hoped to acquire was an established one with a fairly large capacity, (at least in British terms) to enable a relatively smooth transition to G.M. production requirements. That company proved to be Austin Motors. Herbert Austin was amenable to General Motors overtures, as the company was having difficulty raising capital to cope with its mass production expansion programme. (5) Negotiations opened in 1924, but were conducted against a background of criticism, particularly from the motoring press, which resented a well known British firm passing into the hands of Americans. (6) Eventually,

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(1) Sloan op.cit p. 318

(2) In 1919 G.M. had attempted to gain an industrial base in Europe by attempting to acquire The Citroen Car Company, but the French Government opposed this. Ibid. p.317. Germany was probably not considered due to the economic difficulties and uncertain political climate there until 1924.

(3) Jack West interview op.cit.

(4) M. Sedgwick Vauxhall (Beaulieu, 1981) p.7.

(5) Roy Church Herbert Austin: The British Motor Car Industry to 1941 (1979) p.103.

(6) An example of this kind of criticism at its most vociferous appeared in The Motor where such editorial headlines as 'The British Motor Industry for the British Nation.' led blistering attacks on the negotiations. 27th Oct. 1925, Vol. XLVIII No 1245.

in October 1925 'dissenting (Austin) directors favoured a considerably more modest capital reconstruction scheme and avoiding American acquisition.' (1)

In the same month in which Austin negotiations had broken down, General Motors opened talks with Vauxhall Motors. As we have already seen, Vauxhall was in severe financial difficulties and was forced to raise loan capital by the issue of £350,000 mortgage debenture stock at 7 per cent. (2) The issue had not been particularly successful and in October, the Vauxhall Board was more than willing to entertain the General Motors proposals of an offered 2,575,291 dollars for the purchase of the ordinary shares.(3) This enabled the 300,000 ordinary shares to return to their pre 1923 value of £1 each.(4) Former shareholders had the option of purchasing 300,000 Preference shares at £1 each which had a guaranteed dividend of 6 per cent.(5) Old ordinary shareholders were paid a £210,000 bonus, making a total, in British terms of '£510,000 invested in the company.' (6)

The new Board of Directors numbered seven in all, including Leslie Walton, who was to remain as Chairman; Percy Kidner, Mr. Bisgood and Mr. Petch; and three Americans, namely James D. Mooney, Edward Riley and Alfred Swayne.(7) Mooney, who had conducted the negotiations

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- (1) Church op.cit. p.104.
  - (2) Prospectus 21st Sept., 1925. Companies Vauxhall File 135767/52.
  - (3) Sloan op.cit p.320
  - (4) Special Resolution 16th November, 1925. Companies House Vauxhall File No. 135767/52.
  - (5) Companies House Vauxhall File op.cit 16th November, 1925.
  - (6) 'Report to the Directors' 31st Dec., 1926 Vauxhall Motors Archive.
  - (7) List of Directors 16th Nov., 1925 Vauxhall File 135767/53  
Companies House. Nothing is known of the two British Directors Bisgood and Petch.

on behalf of G.M.O.O., was to remain on the Vauxhall Board until the 1940's. Riley was brought in from the Hendon operation, but in 1926 he left the Board, and for the following 13 years worked in G.M. plants in Europe and Australia, before replacing Mooney as Head of G.M.O.O. in the 1940's, thereby becoming overlord of Vauxhall. Swayne was brought in from New York, the G.M.O.O. headquarters.(1) Some members of the G.M. Board were disappointed at the purchase of Vauxhall. Alfred Sloan, the G.M. Chairman, euphemistically describes the acquisition as 'a kind of experiment in overseas manufacturing.' and that compared with the proposed Austin purchase was much 'less controversial.' (2) This falls short of the truth as vociferous disagreements over Vauxhall continued within G.M.O.O. and the Detroit H.Q. until 1928.

Though Vauxhall was a tiny part of the G.M. empire, the arguments surrounding its future were important, as this was the first overseas manufacturing operation acquired by the Corporation inside Europe; and, as Jim Mooney had previously pointed out, inside the British Empire. (3) Such policy decisions and the results therefrom, would undoubtedly set the pattern for future G.M. ventures abroad.

The questions at issue were whether Vauxhall was to be expanded or 'written off as a bad investment? Was it really necessary to manufacture in Europe? Or could a modified Chevrolet, exported from the U.S.A., compete with European cars in European markets?'(4)

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(1) Information taken from Companies House File ibid; M.Platt An Addiction to Automobiles (1980) p.148 and Sloan op.cit chapt.18.

(2) Sloan op.cit. p.320

(3) 'The British Market - An American View' Speech by J.D.Mooney reported in The Times 18th November, 1925 p.8, col.6.

(4) Sloan op.cit p.p. 320 and 321.



The two chief opponents to the Vauxhall venture were Charlie and Fred Fisher, who had brought the Fisher Body Company into G.M. and were powerful in the inner circle. (1) The pro-Vauxhall view was strongly presented by James D. Mooney, and according to Hartnett (a British employee of G.M.O.O. who ran Nordiska G.M. in Stockholm, and a friend of Mooney) was 'being given hell over it.' (2) The delay in making a policy decision was caused by Sloan who wanted to move slowly and cautiously 'until we had worked out a clear policy of overseas operations.' (3)

Meanwhile, Vauxhall continued producing large cars and continued making losses until 1929. The last '30/98' was produced in 1926 and the 14 h.p. LM Type was phased out in 1927, after which Vauxhall concentrated on the production of 6 cylinder models of 20 h.p. and above. They were sound enough cars in their way (4) but even the '20/60' model, which was aimed at the family market, still retailed at around £500, and were expensive when compared with the Vauxhall Cadet which retailed at half that price in the early 1930's. Though competitive with the Austin 20 h.p. models (5) in the late 1920's, they were out of date in design and not as good performers, (6) added to which was the relative decline in growth of this sector of the market, in favour of the smaller mass produced cars. The obvious difference being that the Austin 20 h.p. car was a small

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- (1) Laurence Hartnett 'Big Wheels and Little Wheels' (1965) pp 34 & 35.
  - (2) Hartnett ibid p.34.
  - (3) Sloan op.cit p.320
  - (4) C.Clutton and J.Stanford The Vintage Motor Car (1954,1961 ed.) p.157.
  - (5) R.Church Herbert Austin: The British Motor Car Industry to 1941 (1979) Table 10, p.131.
  - (6) Clutton and Stanford op.cit. p.157.

part of its production, whereas in Vauxhall it was the predominant production model.

Vauxhall car production peaked at 2,589 for the decade in 1928 and although the workforce fell by 800 to approximately 1,500 employees in 1928 (1) losses of £320,000 and £266,000 were respectively recorded for 1927 and 1928, and the decade ended with a loss of £283,000 in 1929. (2)

Not surprisingly these losses led the G.M. Executive Committee to reformulate policy concerning Vauxhall's future. However, the problem was complicated by the entry into the picture of the possible purchase of Adam Opel, the German car company. G.M had established an assembly plant in Germany in the 1920's and discussion turned on whether that should be combined with a German manufacturing base. (3)

Throughout 1928 the Executive Committee discussed whether manufacture in Europe should take place at all. This was dependent on the future feasibility of the G.M. Export Company. In a memorandum to Sloan in July, Mooney argued that it was not. G.M. Exports had impressively risen from 20 million to 250 million dollars in the five years before 1928, but Mooney felt that because of the relative high price of the Chevrolet further rapid expansion would be difficult. He felt that the largest volume area for the Chevrolet was in the U.S.A. and not in the World market. (4) In Europe, in particular,

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(1) See Table 5, page 26.

(2) See Table 4, page 20.

(3) Sloan op.cit p.321

(4) Sloan ibid p.322.

it was at a disadvantage because of the high tax on engine size, which in Britain favoured producers of smaller cars such as Austin and Morris.

Most influential in the case for retention and expansion of Vauxhall was the importance of the British Empire, 'which covered 38 per cent of the world market outside the United States and Canada.' (1)

Mooney sensed that 'the dollar was moving away from the British pound', and having a manufacturing base within the Sterling area would act, 'as an insurance policy in the form of a British product which could flow into these British countries if the people of these areas find it impossible to get dollars to buy American cars.' (2)

In addition Mooney pointed out that Vauxhall 'had already started on a manufacturing programme and we have a large and growing distribution system in England, and an investment in the Vauxhall plant that had to be safeguarded.' (3)

Interestingly, the possibility of a German manufacturing base was not seen as an alternative to Vauxhall but as a parallel development establishing a continental manufacturing base for the European market. Vauxhall was to be a manufacturing base for the British Empire markets.

Mooney's views were clearly vindicated by the experience of the international market in the 1930's. The McKenna Tariff in Britain, and the move towards smaller vehicles in terms of mass production had held U.S. car exports at a disadvantage towards the end of the 1920's. (4)

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(1) Sloan op.cit p.322

(2) Hartnett op.cit. p.36

(3) Sloan op.cit p.322

(4) Miller and Church clearly show the predominance of British car manufacture in the British market in the second half of the 1920's and that British car exports increased by  $\frac{1}{3}$ rd between 1924 and 1929. By contrast 'net imports rose by only 2,500 units while British car sales rose from 123,000 to 168,000 units for 1924-29 period and 'British firms supplied 94 per cent of this growth'. A manufacturing base in Britain would therefore be the correct policy at this time, as Mooney had urged. M. Miller and R.A.Church 'Motor Manufacturing' in (Eds) N.K.Buxton and D.H.Aldcroft British Industry Between the Wars: Instability and Industrial Development (1979) p.186

With the onset of depression, and the rise of economic nationalism, as many nations receded behind high tariff barriers, home markets became very important. It was then that these G.M. industrial bases came into their own, particularly that of Vauxhall. (1)

Another influence on the future direction of Vauxhall policy was the controversy engendered in the British motoring press over the acquisition by G.M. This was to have a fundamental effect on the leadership of the company, its advertising and sales promotion, and its industrial relations.

The most vociferous critic of the acquisition was Edmund Dangerfield, the editor of the Motor. He attacked the 'persistent efforts of American motor interests to secure holdings in British and continental concerns' (2) and even urged state intervention to ensure that 'such things do not come to pass.' (3) In the following edition he presented a scathing analysis of General Motor's practices, attacking the American corporation for wanting to 'obtain complete control' through the ownership of the ordinary shares and then giving less dividends to the (British) preferential shareholders. A speech by Leslie Walton was quoted at length which, though out of context, provided support for Dangerfield's criticism. (4)

Maurice Platt, who was a correspondent with The Motor (and ironically was to join Vauxhall in 1937 as a sales and service contract engineer later rising to a directorship and Chief Engineer)(5) stated in his

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- (1) A more thorough examination of Vauxhall's export performance is carried out in Chapter 4.
  - (2) 'The British Motor Industry for the British Nation' editorial The Motor 27th October, 1925.
  - (3) Ibid 27th Oct., 1925.
  - (4) Editorial The Motor 3rd November, 1925.
  - (5) M.Platt An Addiction to Automobiles (1981) p.95

memoirs:

'We had hundreds of letters from readers deploring the sale.... one result of all this clamour was that the General Motors connection was never mentioned in Vauxhall advertising and sales promotion for many years.' (1)

Such remained the policy until the 1960's.

The strong reaction worried the Vauxhall directors sufficiently for them to place a double page advertisement in The Motor which emphasised that it would 'remain a 100 per cent British institution,' and that the managing directors, the staff, workmanship and product were British. Significantly it was signed by Walton and Kidner, the two remaining British directors on the Board. (2)

In this atmosphere G.M. obviously felt it was wise to have the figureheads of the Company as British nationals; but despite the uncertainties as to the future of the Company before 1928, Mooney was anxious to have a senior G.M.O.O. man 'to look into the Vauxhall show and do what he could to save it.' (3) In 1927 he appointed Bob Evans an American who was Regional Director for Europe, as Managing Director of Vauxhall. Evans replaced Walton, who became Chairman of the Company, and this meant that Evans would share the managing directorship with Percy Kidner. The British and American directors shared the responsibilities of Vauxhall uneasily. Kidner had obviously continued at Vauxhall as he had been very much part

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(1) Platt op. cit. p.90

(2) 'The Future of Vauxhall Motors' L.Walton and P.Kidner The Motor 1st December, 1925.

(3) Hartnett op.cit. p.39

of the growth of the company, and hoped that American capital would see the company through a bad patch and continue producing high quality and performance vehicles with a high reputation. It must have become clear to him with the appointment of Evans, that this was not to be the case. A 'robust car enthusiast,' Kidner was described by Platt, as 'opinionated, inflexible and not particularly intelligent;' (1) and after a trip to G.M.'s Detroit H.Q. described by Platt as 'disastrous' he commented that 'anyone less likely to get on with middle western Americans it would be difficult to imagine.' (2) Not surprisingly, early in 1928 Kidner resigned and took A.J.Hancock with him. (3)

The departure of Kidner left G.M. in the uncomfortable position of having an American in the Managing Director's chair, and rumblings of protest over the 1925 acquisition still occasionally echoing through the columns of the motoring press. (4)

Once the decision had been made to give the Vauxhall expansion the go ahead, Sloan personally told Mooney to pick an Englishman to run Vauxhall. A story at the time, according to Platt, was that Mooney replied 'Well I guess it had better be Charlie Bartlett; he's about as English as they come.' (5)

Bartlett was born in Gloucestershire in 1889 and he completed his formal education at Bath Technical College, where he trained in

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(1) Platt op.cit. p.91

(2) Platt ibid. p.91

(3) Kidner actually resigned in 1928 and A.J.Hancock in March, 1929. Luton News 11th April, 1929 p.4, col.4. In later years Kidner and Hancock became influential in the Institute of Automobile Engineers. In 1935 Hancock was appointed President, and in his Inaugural Address attacked mass producers of cars, and looked back to a time when reputation counted for more than large sales. No doubt he had Vauxhall in mind. A.J.Hancock 'Presidential Address' Proceedings of the Institute of Automobile Engineers 1935 Vol. XXX. Kidner eventually joined L.H.Pomeroy at Daimler.

(4) C.Clutton and J.Stanford The Vintage Motor Car (1954, 1961 ed.) p.157. As late as the 1950's these two authors stated that 'the Vauxhall story is rounded off in a rather dismal fashion' with the G.M.purchase in 1925'.

business methods and accounting. In 1914 he enlisted in the Devonshire and Dorsetshire Regiment in which he saw active service throughout the war. Demobilized in 1919 at the rank of sergeant, he joined General Motors (Hendon) Limited in the following year as an accounting clerk. At Hendon Bartlett's managerial potential was recognised, and there his promotion was rapid, and in 1926 he became Managing Director. It was at Hendon that he undoubtedly saw the great potential for the light truck market which was later to play a major role in the expansion of Vauxhall in the 1930's. In 1929 he was appointed Managing Director of Vauxhall. (1)

Apart from his obvious abilities shown at Hendon, and the fact that he was British, it has also been stated that his capabilities were noted during the investigations and the financial planning which preceded the acquisition of Vauxhall in 1925. (2)

Bartlett's appointment was an inspired one. . Though very much a G.M. man, and in tune with the financial and managerial policies of the American company, he possessed the essential ability to interpret the American Company policy into a British context. This success in guiding the progress of Vauxhall into the ranks of the 'Big Six' British car producers in the 1930's impressed G.M. sufficiently to allow Vauxhall 'to enjoy considerable autonomy... and (G.M.) delegated many responsibilities to the Vauxhall management in Luton.' (3)

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- (1) Sources: Obituaries in The Times 11th August, 1955; Luton News 11th August, 1955; Who Was Who 1951-60.
  - (2) Mentioned by Eric Bates in typed and taped interview March, 1980. Bates began work at Vauxhall in 1931.
  - (3) Platt op.cit. p.91

One of the successful areas in which the Bartlett hand was clearly in evidence was in industrial relations; (1) and while General Motors in the U.S.A. was battling with the United Auto Workers Union in 1936 and 1937, (2) Vauxhall enjoyed unprecedented peaceful industrial relations. Even in the British context, Vauxhall was seen as a 'model' of industrial relations and this reputation was to last well into the 1960's. (3)

The degree of autonomy which G.M. allowed Vauxhall was in line with its established policy in relation to its subsidiaries in the United States. To understand the development of General Motors it is helpful to contrast it with that of Ford. Since the foundation of the General Motors Company in 1908 by W.C. Durant, it had been significantly different in structure from Ford. Ford's was much more like a pyramid with Ford himself at the apex; G.M. can be seen as a number of satellites guided by the H.Q. at Flint, Michigan. By 1919 Durant's organisation included the Olds, Oakland (Pontiac), Cadillac, Buick and Chevrolet car companies, as well as the A.C. Spark Plug Company, the Fisher Body Company, the Frigidaire Company and tractor concerns. (4) Though it had become the fifth largest of all industrial concerns in the United States (5) it had run into financial difficulties which eventually led to the removal of the flamboyant Durant and replaced by the austere and phlegmatic Sloan.

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- (1) See Chapters 5 and 6 for a detailed review of Bartlett's managerial policies.
  - (2) R.O. Boyer and H.M. Morais Labor's Untold Story (New York, 1955. 3rd edition 1972) Sit Down in Flint pp. 298-309.
  - (3) Sir Charles, Chapter 6 in Kenneth Ulliyett The Vauxhall Companion (1971) pp. 81-93; 'The Turnip Patch: Industrial Relations at Vauxhall' in Graham Turner The Car Makers (1963; 1964 Penguin edition.) pp. 122-129.
  - (4) Sloan op.cit. Chapters one and two outline the acquisition of these companies.
  - (5) Alfred D. Chandler Strategy and Structure: Chapters in the History of the American Industrial Enterprise (Cambridge, Mass. 1962; March 1980 printing paperback) p. 115.



Both men knew that it was impossible to run the General Motors Corporation in the centralised and dictatorial style of Henry Ford. Sloan had to face the problem of how to maintain control centrally and at the same time allow flexibility within the divisions to enable them to respond to changing market conditions. Ford did not learn this invaluable lesson, and while his production techniques were progressive in terms of productivity, his management remained under his autocratic control, and in the 1930's when his major rivals had adopted similar production techniques, the Ford Company suffered accordingly. 'At managerial level, Henry failed to create a system of administration which could guide the company efficiently through the labour problems and style changes of the 1930's.' (1)

The decentralised policies followed by Durant were far too lax and lacked cohesion: Sloan's remarkable plan for the Corporation was to allow the divisions autonomy but in a much more controlled manner. Each 'division headed by its chief executive shall be complete in every function and enabled to exercise its full initiative and logical development.' (2) Sloan recognised that 'certain central organisation functions are absolutely essential to the logical development and proper control of the Corporation's activities.' (3)

This idea of divisional autonomy helped G.M. to win the largest share of the automobile market in the United States and minister successfully its overseas manufacturing and marketing activities. (4)

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- (1) Roy Church 'Men, Myths and Motor Cars: A Review Article' The Journal of Transport History. Sept.1977, Vol IV No.2 p.106
  - (2) 'General Motors Corporation-Organisation Study.' DE GM I quoted in Chandler op.cit. p.133.
  - (3) Chandler ibid p.134.
  - (4) Frederic G.Donner The World Wide Industrial Enterprise: Its Challenge and Promise (New York, 1967) pp.29-31.

The degree of autonomy allowed to Vauxhall was not surprising as it was compatible with evolved G.M. policy. (1) The effect of the controversy over the acquisition probably ensured a much lower G.M. profile than originally envisaged, although technical innovation and marketing and financial expertise were made available to Vauxhall by the parent company throughout the 1930's. How much independence Vauxhall was to enjoy varied with the economic and political climate and the Vauxhall performance in relation to British and world markets. The rapid growth of Vauxhall in the 1930's was helped considerably by G.M. but G.M. did not want to spoil the success by revealing too much of the American associations. Autonomy was enhanced to a greater degree by the Second World War, when Vauxhall production was turned over to government contract work, and, given the difficulties of international economic relations, Bartlett was to enjoy an independent role. The wresting back of American control through the G.M.O.O. organisation in the post-war years provided a scenario for personal conflict between Bartlett and the new G.M.O.O. head, Ed. Riley. (2) On the retirement of Bartlett in the early 1950's, American control of the Vauxhall Board considerably increased mainly in response to intensified competition in the automobile markets of that time, and the perceived need for a tighter overall world wide strategy.

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(1) The Vauxhall's policy was similarly applied to Opel's in Germany.

(2) M. Platt An Addiction to Automobiles (1980) p.148.

### CHAPTER THREE

#### The Rise of Vauxhall to the 'Big Six': Vauxhall 1930-1950

Vauxhall's remarkable achievement in the 1930's was to secure a place among the ranks of the largest British car and commercial vehicle producers. By the end of the decade Vauxhall had joined Austin, Morris, Ford, Standard and Rootes known as the 'Big Six'. Particularly impressive was the exceptional growth of Vauxhall's light commercial vehicle production sold under the trade name of 'Bedford.' Sales of Bedford trucks provided much of the source for the company's profits before the introduction of a truly all-British car in 1933 in the form of the 'Light Six' and the even more popular 'Vauxhall Ten' which commenced mass-production in 1938.

This achievement was largely due to the backing of General Motors which was able to invest finance in Vauxhall, build up the subsidiary's capital equipment, reorganise production along mass assembly lines, introduce intensive marketing techniques and enable the firm to benefit from the technical expertise and mechanical and design innovations of the American parent company. The skill in applying these assets to the British context in a successful manner rested heavily with the British management team led by Charles Bartlett. At the end of the 1920s the car industry was in a state of 'near duopoly' with Austin and Morris dominant. (1) The following table shows that by the end of the decade a marked increase in the share

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(1) D.G.Rhys 'Concentration in the Inter-War Motor Industry' The Journal of Transport History Sept., 1976 Vo.III No.4 p.253.

of the market had been taken by Vauxhall, Standard, Rootes and Ford, rising from a combined percentage share of 11 per cent in 1929 to a peak of 48 per cent in 1938.

TABLE 7 Percentage of Car Output held by Car Producers (1929-39)

<u>Year</u>	<u>Vauxhall</u>	<u>Standard</u>	<u>Rootes</u>	<u>Ford</u>	<u>Morris</u>	<u>Austin</u>	<u>'Others'</u>
1929	0.75	3.3	3.0	3.8	34.8	25.3	29.05
1930	5.1	4.4	4.8	6.09	34.4	32.2	13.01
1931	4.5	7.5	4.8	2.4	27.4	24.2	29.20
1933	4.97	6.23	6.37	13.2	19.9	20.16	29.17
1934	6.96	6.88	6.96	12.4	23.7	23.28	19.82
1935	8.01	7.02	7.47	15.66	29.7	21.87	10.27
1936	5.8	8.9	8.6	20.4	27.3	21.3	7.7
1937	7.4	8.9	8.7	20.5	25.3	20.9	8.3
1938	10.4	9.9	10.2	17.5	23.6	20.4	8.0
1939	9.4	11.5	9.8	13.2	24.2	21.9	10.0

Sources: A modified version of the table published in A.Silberston and G.Maxcy The Motor Industry (1959)p.107. Revision by D.G.Rhys in 'Concentration in the Inter-War Motor Industry' The Journal of Transport History Sept., 1976 Vol.III No.4, Table L, p.246.

By the mid 1930's the car industry had developed into a form of oligopoly and the performance of the two American-owned firms was impressive, particularly that of Ford. Their combined share of the market rose from 4.55 per cent in 1929 to 27.9 per cent in 1937 and 1938. Morris, and to a lesser degree Austin, lost ground, but the sharpest decline was in the percentage share of the market held by firms outside the top six, which transformed duopoly into oligopoly. The reasons for these developments lay in the changing nature of the car market and the responses of each firm. The home market grew by 124 per cent in the period 1931-37 but net imports managed to

capture only a tenth of the increase. Export success also added to British car sales and the height and peaks depended on them.(1) The bulk of the expansion rested however, in the home market due to the increases in real income particularly that of the middle class and reduction in the costs of owning a car. (2) Fuel costs, taxation, upkeep and maintenance expense ensured that demand increased for the smaller vehicle, but a vehicle 'without loss of comfort, reliability and performance.' (3) The Austin 12 and Morris Cowley, which had been the mainstay of these firms in the latter half of the 1920's was replaced by the 10 h.p. car, which was still 'up market' compared to the Austin Seven and the Morris Eight, though the latter models enjoyed considerable popularity whilst in production. The demand, therefore, lay in a mass-produced car which was cheap, but with additional features which created extra appeal. Price-cutting tendencies which were characteristic of competition in the 1920's were replaced by price-model competition. While low prices were important to sales, mass producers, such as Austin and Morris, realised that profit margins were becoming dangerously low and would hurt them in the long run. With the entry into the field of Ford, Standard, Rootes and Vauxhall as mass producers this might be permanently damaging. Ford's new integrated production plant at Dagenham, which began production in 1931, was potentially the most efficient plant outside the U.S.A. (4) and proved to be an

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(1) M.Miller and R.A.Church 'Motor Manufacturing' p.186 in (Eds) N.K.Buxton and D.H.Aldcroft British Industry Between the Wars (1979, paperback ed. 1982).

(2) Miller and Church Ibid p.188

(3) Church and Miller op.cit. 'Motor Manufacturing,' p.188.

(4) Rhys Op.cit. p.247

aggressive adversary.

More pertinent to Vauxhall was the dramatic decline in the large car market of 14 h.p. and above. A total failure to read these trends by the General Motors management led to poorer sales of Vauxhall mass-produced cars than envisaged.

The initial choice of production models was not satisfactory. The Americans wanted to produce a big car, which they thought would sell in export markets. The first car product of the reorganised assembly line was the 26 h.p. Cadet which was mainly for export, and a 17 h.p. version designed for the home market. The sales can only be described as disappointing, particularly when the large investment in reorganisation is taken into account.

The Cadet was chosen because the Americans, and Sloan in particular, believed 'in the persistent but mistaken notion that Europeans would prefer to own larger and more powerful cars if they were given the chance to buy them at competitive prices.' (1) This was totally at odds with the changing state of the British car market. The idea of a kind of European Buick was dropped, but the 17 h.p. and 26 h.p. was still too large. Its chief rivals were the Austin 16, the Hillman Wizard and the Morris Oxford Six, and though the Cadet was competitive in price and incorporated synchromesh gears (the first to do so in Britain), this sector of the market could absorb at the most 5,000 units a year in a world wide depression. (2) The Cadet

(1) M.Platt An Addiction to Automobiles (1980) p.92.

(2) M.Sedgwick Vauxhall (1981) p.42.

according to Eric Bates, who began work in the Vauxhall engineering office in 1930, was based heavily on the Opel Kadet: 'They were using the Kadet drawings and modifying them.' (1) In production terms this would seem logical as the recently purchased G.M.German subsidiary already possessed the designs and experience of mass production which could be transferred to Vauxhall with relative ease. (2)

The G.M. Vauxhall production policies paralleled those of Ford's British operation, and displayed the necessity of appointing sound British management which was close enough to the market to perceive changes and initiate appropriate model designs.

At the end of World War I, Ford had been the largest British producer of cars but had lost that lead to Morris and Austin in the 1920's.

The main problem was its reliance on the large horse power 'Model T', and in 1928 on the 'Model A', which became its replacement. The decision to produce these rested with Henry Ford himself, who was much more concerned with his U.S. operations and large production runs than with changing British market demands. By the end of the decade Austin sales were mainly of 12 h.p. models, and in the 1930's there was a shift to the 10 h.p. car in the highest sales bracket.

The re-appointment of Sir Percival Perry, the British Managing Director of Ford, led to a small bore 'Model A' for the European market but it did not sell well enough to justify the huge investment in the Dagenham works. In 1931 Perry was forced to ask for the

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(1) Interview Eric Bates March, 1980. Retired from Vauxhall 1979.

(2) Opel's output in 1928 was 43,000 vehicles compared to approximately 2,000 produced by Vauxhall. Opel was the largest car manufacturer in Germany and produced 44% of all German made cars sold in Germany in 1928. A.P.Sloan. My Years with General Motors (1965) pp.326,327.

production of a smaller model, which led to the creation of the 8 h.p. 'Model Y,' (1) which enabled Ford to reclaim a significant slice of the British car market.

The 'Cadet' was the Vauxhall equivalent of the 'Model A' and the model policy of each company shows the American preoccupation with production at the same time suffering from an inadequate perception of the consumer preference in the local market. Charles Bartlett was the Vauxhall equivalent of Ford's Percival Perry, and it was these two men who had to convince their respective American parent companies of the need for a smaller British model for the British and European markets.

Under Bartlett's influence Vauxhall turned to the production of the 'Light Six', a six cylinder model with 12 or 14 h.p. engines retailing at £195 and £215 respectively. Thereafter the model leaders were to be much lower horse power ratings than in the 1920's culminating in the 'Vauxhall Ten' in 1938.

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(1) This information rests heavily on R.Church and M.Miller 'The Big Three: Competition, Management and Marketing in the British Motor Industry, 1922-1929' in (Ed.) Barry Supple Essays in British Business History (Oxford 1977) p.171.



TABLE 8 Vauxhall Car Models 1931-39

<u>Year</u>	<u>Year Ceased</u>	<u>Name/ Type</u>	<u>H.P. Capacity</u>	<u>Cyls.</u>	<u>Price</u>
1931	1933	Cadet VX	17	6	£280
		" VY	26	6	
1933	1934	Light Six ASY	12	6	£195
		" " ASX	14	6	£215
1934	1936	Big Six BY	20	6	£325
		" BX	26	6	£550
1935	1938	" DY	12	6	£205
		" DX	14	6	£225
1937	1939	GY & GL	25	6	£330-£615
1938	1940	H & I	10 & 12	4	£168-£198
1939	1940	J14	14	6	£189

Sources: 'Vauxhall Facts and Figures' Vauxhall Motors (Luton, 1966)  
L.C. Derbyshire The Story of Vauxhall (Luton 1946) pp 54, 55.

It was the 'Light Six' and the British management's decision to produce it which brought Vauxhall much more in line with the market trend. Bartlett described the 'Light Six' as 'a dream come true'. (1) The Luton News commented that 'a notable feature of the car is the roominess and leather upholstery - unusual in cars of this price and gives a touch of luxury.' (2) The Deluxe 14 h.p. model also had a no-draught ventilation system and incorporated synchromesh gears, both innovations which came originally from the G.M. parent company. (3)

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(1) Luton News 21st Sept., 1933, p.11.

(2) Luton News 15th June, 1933, p.8.

(3) Synchromesh gears were developed by the Cadillac Company in 1928 and the No-Draft Ventilation system was developed by the Fisher Body Company and fitted to all G.M. American models in 1933. 'About General Motors Corporation,' Public Relations Typescript (London 1977) pp 5 & 6.

Here can be observed the emerging features of motor vehicle competition in which styling, technological innovation and optional extras became important in securing sales. In price terms the Vauxhall 'Light Six' 12 h.p. was far cheaper than the Austin 12 which retailed at £225, although only £7 more expensive than the 1933 price of the light 'Austin 12' introduced a year earlier. The Morris 12 also retailed at £195 in 1933. Thus while there was little attempt by Vauxhall to undercut rivals in price, efforts were spent on trying to ensure superiority of design, the offer of optional extras and additional attractive features and on vigorous marketing methods. (1) Signs that such policy was successful are to be found in the sudden jump in Vauxhall car sales from 3,600 in 1932 to over 11,000 in 1934. By 1935 Vauxhall car sales had more than doubled, to over 26,000.

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(1) A.F. Palmer-Phillips 'Arguments Against Price Cutting,' General Motors News Nov., 1929, p.123. Palmer-Phillips was Director of Vauxhall Sales Department.

TABLE 9 Total Output of Cars, C.V.'s and Number of Employees, and Floor Space. Vauxhall Motors 1929-1938.

<u>Year</u>	<u>Total Output</u>	<u>Cars</u>	<u>C.V.'s</u>	<u>Employees</u>	<u>Total Floor Area</u>
1929	1278	1278	-	1552	11 $\frac{1}{2}$ acres
1930	8930	8930*	-	2725	12 $\frac{1}{2}$ "
1931	15152	3927	11225	2458	13 " 7 acre increase
1932	16918	3679	13239	3268	20 $\frac{1}{4}$ "
1933	27636	11106	16530	5200	20 $\frac{1}{4}$ "
1934	40455	11816	21639	6352	25 $\frac{1}{4}$ " <u>5 acre increase</u>
1935	48671	26240+	22431	6726	34 $\frac{1}{4}$ " <u>9 acre increase</u>
1936	50703	21319	29384	7660	41 $\frac{1}{2}$ " <u>7 acre increase</u>
1937	59744	28076	31668	8669	43 $\frac{1}{4}$ "
1938	60111	35415+	24696	8589	53 $\frac{1}{4}$ " <u>10 acre increase</u>

\* The figure for 1930 must have included Chevrolet trucks assembled for the first time at Luton.

+ Years when car output exceeded c.v.output.

Source: 'Vauxhall Facts and Figures' Vauxhall Motors (Luton, 1966)

The 'Light Sixes' heralded the entry of Vauxhall into the ranks of the mass car producers. However, it was still a comparatively small car producer, and though comparable with Standard and Rootes its output was only half that of Ford and a quarter of Austin and a quarter of Morris (1) The Light Six seems to have taken from the top end of the growing middle class market.

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(1) See Table 7, p.51.

Much of the initial reorganisation and expansion of the Vauxhall works, however, was due to the production of light trucks, which must take a large part of the credit in explaining the success of the company in the 1930's.

At the time of the G.M. take-over of Vauxhall in 1925 a kind of quasi assembly line was in existence, but there were no automatic conveyors and much of the work was manhandled into assembly position. Much bench and batch production work was carried out and the capacity of the works was at 25 to 30 chassis a week. (1)

The reorganisation for mass production required considerable investment by G.M. and this was tentatively started in 1927 when £250,000 additional capital was provided to finance extensions to the factory. (2) An indicator of large scale expansion was given in 1929 when G.M. acquired 276,202 Preference Shares, of which 23,798 remained in the hands of the Board members. (3) All the Ordinary shares had been acquired in 1925.

The beginnings of a modern mass assembly line were installed in 1929 once G.M. had agreed to the expansion of Vauxhall. Two problems faced the Vauxhall/G.M. management at this time: which vehicle to produce, and what to do with the G.M. organisation at Hendon?

Although over 1,000 people were employed at Hendon the works did not have the same potential for expansion as that of the Vauxhall works. In addition, the Chevrolet truck assembled from C.K.D's was immediately available for mass production and enjoyed considerable sales in Britain and abroad. For these reasons the decision was

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- (1) Automobile Engineer Oct., 1925 Vol. XV, No.207. How Vauxhall changed to mass production is important to the argument on labour control in Chapter 6.
  - (2) Report to the Directors for the Year ending 31st Dec., 1927.
  - (3) Report to the Directors for the Year ending 31st Dec., 1929.

taken to transfer the whole of the G.M. Hendon manufacturing operations to Luton, and to make Hendon a centre for Sales distribution and service operations after the amalgamation of the hitherto separate organisations. (1)

By the summer of 1930 'radical changes had been effected both in the layout of the works and the equipment employed.' (2) Conveyors were used in engine and chassis assembly though moving assembly lines were not introduced until 1933. (3) The plant was capable of producing 75 chassis per day, and 85 per cent. of production was devoted to Chevrolet trucks. (4)

In retrospect, the decision to produce the Chevrolet truck was not surprising. The engine and chassis had been designed in America specifically for mass production and the expertise in assembly gained at Hendon throughout the 1920s could easily be applied to the newly reorganised works at Luton. During the years 1925 to 1932 no fewer than 17,884 cars including Cadillac, Buick, Chevrolet, La Salle, Oldsmobile, Pontiac, Oakland and Marquette were assembled at Hendon. In addition 54,462 commercial vehicles were assembled there during the same period, including 5,986 Bedfords in 1931. (5) This averaged 2,235 cars, and about 6,800 trucks, per year. The average yearly output of each of the eight models of G.M. cars (although the cheaper Chevrolets would sell more than the Cadillacs) equals 280 - not an impressive figure as the basis for G.M.'s entry into the mass

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- (1) General Motors News Sept., 1929 Vol.II No.3 p.57
  - (2) 'The Works of Vauxhall Motors Limited.' Automobile Engineer Aug., 1930 Vol. XX, No.270.
  - (3) 'The Vauxhall Works.' The Automobile Engineer Sept.1933 p.319 and 320.
  - (4) Ibid Aug., 1930.
  - (5) Vauxhall Facts and Figures. Vauxhall, Luton 1966 p.3.

production market in Britain and this not surprisingly prompted consideration of the production of one or two car and truck models. The production of the Chevrolet truck at Luton had solved temporarily the problem of a c.v. model for the British market, and in 1930 greater urgency was seen to be the need to mass produce a Vauxhall car resulting in the 'Cadet' in 1931. However, criticism in the motoring press of Vauxhall's American connection continued and in the economic nationalist climate of the depression it became clear to Vauxhall/G.M. management that the name Chevrolet would have to be expunged and replaced by a suitable British substitute.<sup>(1)</sup> The outcome was the mass production of the 'all British' Bedford truck. A 2 ton model was produced in 1931, followed by the extremely popular 30 cwt model in 1932, which later enjoyed enormous sales throughout the 1930s. Once again, it was the British management's suggestions that led to the production of the right model; and Sir Reginald Pearson recalls: 'The Americans at first wanted to build a wide range of cars but there was no call for this in Great Britain in the 1930s. Bartlett said "What was needed was a good truck." Bartlett convinced Sloan that a truck was the best thing for Vauxhall. It was a life saver.' <sup>(2)</sup>

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- (1) Frequent claims in the press by Vauxhall that the Chevrolet was made up of 80% British labour and materials, and soon to be 95% shows the sensitivity of Vauxhall management to these criticisms. Luton News 27th March, 1930. p.20. As late as 1932 Walton, the Vauxhall Chairman, stated that 'the name General Motors has been associated in this country with the sale of imported cars and commercial vehicles and in consequence our position as builders of British products has been somewhat prejudiced' 'Report of the 18th Ordinary General Meeting' The Times, 13th April, 1932 p.21. col.3.
- (2) Interview with Sir Reginald Pearson, Feb., 1979. The Sloan desire to build a wide range of cars was an extension of G.M.'s successful policy in competing against Ford in the 1920s. It would therefore seem to Sloan that such a policy would work in Britain as well. In fact what was needed was one successful c.v. and car model to penetrate into the ranks of mass producers. Model diversification could come once a model leader was established.

Additional weight was given to the idea of an all British truck when Bill Knudsen, the President of Chevrolet, who was visiting England in 1930, reacted angrily when he discovered that Chevrolet truck production had gone ahead without his permission, immediately he ordered Vauxhall to cease manufacturing Chevrolet components.(1)

Bartlett had learnt from Hendon in the 1920s that as a result of placing truck bodies on the Chevrolet chassis, G.M. trucks sold better than the cars. The Ford company in England had followed a similar policy when saddled with the increasingly outmoded and comparatively large Model T. (2) Some market potential existed in the 1920s for a light weight truck, and Ford, and particularly G.M., began to exploit this by adapting their large cars to meet these potential home and overseas markets. (3)

Throughout the 1920s most commercial vehicle companies produced for the heavier end of the market, which was much more a bespoke business, producing vehicles in batches which ensured high prices, beyond the pocket of the small trader and businessman. In addition, hire-purchase and other credit facilities were not available to the extent they were to become a decade later.

For much of the decade British c.v. producers were fending off the problems of insolvency coming immediately after the War when the home market was flooded with ex-war department lorries, affecting new sales drastically. Retrenchment ensued to ensure survival, and

(1) L.Hartnett Big Wheels and Little Wheels (1965) p.39.

(2) The Model T incorporated an ingenious innovation whereby a saloon body could be clipped on in place of a lorry body at the whim of the owner. A.Holme 'Some Aspects of the British Motor Manufacturing Industry During the Years 1919-1930,' Unpublished M.A.Thesis, Sheffield University 1964. p.109.

(3) Sir Raymond Dennis of Dennis Motors, reported as early as 1920-21, after a world tour, that 'the light American commercial vehicle would be preferred to the heavy duty c.v.s produced in Britain.' Holme's thesis op.cit p.74.

profitability only began to rise again with the onset of the 'bus boom' associated from 1926 with the rapidly growing charabanc market.

One of the major obstacles to change was the batch methods of production. It was difficult and too expensive to produce both large vehicles of 2 tons and above, and cater for the light truck market and with the entry of Morris Commercial in 1924, commercial vehicle companies found difficulty competing. Leyland, for example, produced a 30 cwt truck in 1923 costing £560, but could not compete with the Morris van and Ford Model T retailing at around £200 in 1924. (1) Leyland's vehicle sizes increased in the second half of the decade, as a reaction to previous failure in this sector of the market. Other companies rejected attempts at mass production and proclaimed engineering perfection as their objective. Foden continued to produce steam vehicles up to the early 1930s as the main part of its works output, when it was clear that these beautifully made but heavy and slow monsters were an anachronism. (2)

Morris Commercial clearly showed that the advantage of the light truck lay with the mass producer, as it was 'produced largely with the same equipment as that used in the production of passenger cars.' (3) The gain in economies of scale reduced costs and lowered prices significantly. Whilst this process had been

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(1) Holmes Thesis op.cit p.109

(2) Pat Kennet The Foden Story (Cambridge 1978) p.119.

(3) M.Miller and R.A.Church 'Motor Manufacturing' in N.K.Buxton and D.H.Aldcroft (eds) British Industry Between the Wars (1979), paperback ed. 1982) p.205.



influential in the car market in the 1920s, with the mass production policies of Morris and Austin, these changes were not introduced to commercial vehicle production until the 1930s, a development of two American companies as innovators. (1)

The assembly line in Vauxhall's Luton works was initially set up for the Chevrolet truck; but this was regarded primarily by the Americans as an interim measure. They mistakenly identified a need for the main thrust of Vauxhall's expansion to be centred on the production of large cars. The assessment of Jim Mooney as Head of General Motors Overseas Operations was that a manufacturing base was needed in Britain. This was proved correct when American imports fell sharply after the boom of 1928/29. In 1930, 80 per cent of all goods vehicles produced in the U.K. fell in the up to 50 cwt class, and 22 per cent within that category had a capacity of less than 15 cwt. (2) The trend was obviously towards light weight vehicles, and significantly the empire market was to be a fruitful export area (another Mooney prediction) - but the vehicle produced was the 26 h.p. Cadet.

In early 1931 the first Bedford truck appeared on the market. It was a 2 ton model and boosted Vauxhall c.v. sales from 7,590 (3) in 1930 to 11,225 in 1931. Keen prices helped to secure this success. The short wheeled base chassis/cab cost £198 and the larger model £210. The complete factory built drop side trucks cost only £240 and £260 respectively. (4) Its closest rival was the Ford 2 ton which was £10 cheaper.

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(1) Miller and Church op. cit. p.205.

(2) Miller and Church Ibid p.205.

(3) i.e. 85% of the 8,930 Vauxhall output was Chevrolet trucks in 1930. See Table 9, p.58.

(4) You See Them Everywhere: Bedford Commercial Vehicles Since 1931  
Vauxhall Motors (Luton, 1979) p.3.

TABLE 10 Chassis Prices 2 ton and 30 cwt trucks 1931-33

	<u>2 Ton *</u> <u>SHORT WHEEL BASE</u>	<u>LONG WHEEL BASE</u>	<u>30 cwt**</u>
Bedford	£198	£210	£175
Ford	£188	£197	£189
Karrier	£198	£235	-
Willy's Overland	£224	-	-
Morris Commercial	£226	-	£198
Commer	£248	£265	£210
Dennis	£385	-	£300

\* 1931    \*\* 1933

Sources: Commercial Motor 3rd November, 1931. pp.406-408. 5th May, 1933, p.409.

Of the 18 British and foreign firms which competed in this sector of the market the two American subsidiaries led the field in both types of wheel base. The price of the more expensive 2 ton trucks reached almost £500 and not surprisingly Vauxhall and Ford led the field in sales.

At the end of 1931 Vauxhall unveiled the 30 cwt truck which was a modified and cheaper version of the 2 tonner and replaced the Chevrolet. Despite a 3.0 per cent national fall in production of commercial vehicles in 1931 and another drop of 8.9 per cent in 1932, Bedford truck sales continued to rise and by 1932 had risen by 18 per cent, and in 1933 by a further 25 per cent. Between 1931 and 1937 the output of Bedfords had nearly tripled. Meanwhile from 1933 Bedfords accounted for over 25 per cent of British c.v.output.

TABLE 11 Bedford Percentage of C.V.Output 1931 to 1938

<u>Year</u>	<u>C.V.Output G.B.</u>	<u>Bedford Output</u>	<u>% of G.B.Output</u>
1931	67,003	11,225	16.7
1932	61,756	13,239	21.4
1933	65,221	16,530	25.3
1934	85,134	21,639	25.4
1935	105,456	22,431	21.2
1936	108,000	29,384	27.2
1937	118,000	31,668	26.8
1938	97,000	24,696	25.4

Source: G.Maxcy and A.Silberston The Motor Industry (1959)  
Table 1, p.223. Vauxhall Facts and Figures Vauxhall  
Motors (Luton, 1966).

The 30 cwt Bedford's success was not only that it was the cheapest in its range at £175, but that it was a strong and reliable vehicle. Its payload, for example, could be exceeded by as much as 50 per cent, (1) and the robust quality of this vehicle proved popular with the businessman. In addition, Vauxhall was able to increase output by the adaptation and exploitation of G.M.marketing techniques thereby widening potential market sales. Much in the same way that the model policies of Singer, Standard and Hillman helped to stimulate the market for 10 h.p. cars in the early 1930s.(2) Intensive advertising, the employment of trained salesmen in the field, an increase in outlets and the extension of credit facilities

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- (1) You See Them Everywhere: Bedford Commercial Vehicles Since 1931  
Vauxhall Motors (Luton 1979) p.3. Much was made in Vauxhall advertisements of the time of the ability of Bedford trucks to exceed their payload.
- (2) R.Church and M.Miller 'The Big Three: Competition, Management and Marketing in the British Motor Industry, 1922-1939.'  
In B.Supple (ed) Essays in British Business History (Oxford,1977)  
p.175.

through the General Motors Acceptance Corporation (1) and British credit companies were also important. (2) Particularly after 1929 when depression caused vehicle replacement to slow down as owners hung on longer to their old models. Credit and H.P. inducements given by G.M.A.C. would persuade a quicker replacement than otherwise would have taken place and a switch to Bedford trucks. G.M.A.C. first opened a British branch in 1928. (3) By contrast Austin and Morris sales techniques appeared pedestrian, and Henry Ford had always placed more emphasis on the production side of the business. Equally influential in Vauxhall's success was its impressive increase in overseas sales, particularly of the 30' cwt truck, (4) facilitated by excellent after-sales and maintenance services. Once again G.M. was able to help considerably by making available its extensive overseas outlets based in 104 countries. (5) In these areas British commercial vehicle producers noticeably lagged behind. (6) The light-weight truck was preferred in less developed countries and the large payload in comparison to its size, combined with a sturdy chassis frame and springing, made them ideal for rough roads.

In Britain light truck sales were given a considerable fillip by the incorporation of the Salter Report proposals into the Road Traffic Act of 1933, which penalised heavy commercial vehicles

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- (1) A G.M. credit company began in the U.S.A. in 1919, A.P. Sloan My Years with General Motors (1965) p.152.
  - (2) This is more fully discussed in Chapter 4 under Marketing.
  - (3) G.M. News, July, 1928, Vol.1, p.10.
  - (4) Vauxhall's export performance is examined in Chapter 4.
  - (5) This is General Motors, General Motors News June, 1930, pp 330-331.
  - (6) See Commercial Motor 10th Feb., 1931 p.912, in which British c.v. companies failure in overseas markets is examined.

by high taxation. (1)

Vauxhall also achieved success in the light passenger commercial vehicle market. In the last quarter of 1931 no fewer than 52 per cent of all 14-20 seater buses and coaches registered in Britain were Bedford: (2) a remarkable rise as it was not launched until August of that year. In 1932, 65 per cent of all buses and coaches sold in the 9 to 20 seater category were Bedford, (3) and by 1939 5,500 commercial passenger vehicles had been sold; of all the small buses and coaches operating in Britain 70 per cent were Bedfords. (4) Impressive though these figures appear to be it must be remembered that in the market for 14 seater buses in 1931 Bedford only had two rivals whose chassis prices were £450 compared to that of £250 for the Bedford. (5) In the 20 seater bus range competition was greater with about 12 firms in the market, but neither Morris-Commercial nor Ford, Bedford's main mass producer rivals, had a model in this range. The Bedford chassis was by far the cheapest at £265 with Commer (also a Luton firm) second at £295; the rest were priced between £400 and £600. (6) Ford did compete with Bedford in the 12 cwt van range and was £10 cheaper at £135, but the Bedford was attractive to buyers as it incorporated synchromesh gears, using the 'Cadet' 17 h.p. engine and transmission. (7)

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- (1) Commercial Motor 28th April, 1933 p.379. e.g. a £7 increase was put on vehicles below 2 tons and thereby increased by each ton. Ten ton vehicles and above had a £177 increase.
  - (2) Bedford Buses and Coaches Since 1931, Vauxhall Motors (Luton, 1979) p.5.
  - (3) Ibid p.6
  - (4) Bus Fayre Vol.1 No.1. April, 1978. p.11.
  - (5) Commercial Motor 31st Nov., 1931 pp406-408.
  - (6) Ibid. pp. 406-408.
  - (7) Commercial Motor 5th May, 1931. p.409

The preparation for production of the Light Sixes and the need for greater capacity to fulfill the increased demand of Bedfords entailed a further reorganisation and expansion of the Luton plant. While Vauxhall had taken advantage of the ability of the plant to produce cars and light-weight trucks with much the same equipment, the existence of a single assembly line created unnecessary delays. The 1929 reorganisation had laid the foundation of a modern assembly line, but it was small by comparison with that of Ford, Morris and Austin. Components of each type of vehicle had to be manufactured in batches and commercial vehicles were produced 'for some days, or possibly weeks, before tooling was changed for the production of the Vauxhall model.' (1)

During the erection both commercial vehicles and cars were assembled on the chassis line simultaneously, 'although separate frame assembly lines and body building shops (were) provided.' (2)

In February, 1933 £500,000 was invested in reorganising the works to expand capacity. (3) Two parallel assembly lines were installed; one for passenger cars and one for commercial vehicles, both of which incorporated machine operated continuous conveyors for engine, chassis and final assembly. (4)

By comparison Morris did not introduce moving assembly lines at Cowley until 1933, (5) though certain lines for the Morris Minor were

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(1) The Works of Vauxhall Motors Limited Automobile Engineer Aug., 1930.

(2) Ibid August 1930.

(3) Luton News 9th February, 1933. p.8, col.3.

(4) Luton News 16th March, 1933, p.9 col.4.

(5) P.Andrews and E.Brunner The Life of Lord Nuffield (1955), p.197. Quoted in D.Lyddon, Workplace Organisations in the British Car Industry. A critique for Jonathan Zeitlin. History Workshop Journal Spring 1983, No.15, p.132.

propelled by chains in early 1929. (1) Ford's Dagenham plant had fully automated conveyors in 1931 after its move was completed. This had the effect of speeding up production considerably. Though the floor space was increased by  $17\frac{1}{2}$  per cent output was improved by 50 per cent, and the works capacity was raised to 150 chassis a day. (2) This was double the 1930 capacity of 75 chassis a day. Bartlett saw the reorganisation as the last stage in the transformation of Vauxhall into a mass producer and stated that the replanned works were the final break with the company's past association with 'old selective and expensive private cars.' (3) The 'Silent 80' retailing at £750 was phased out of production ending the line of Vauxhall cars with a direct pedigree from the old company.

Much of the reorganised production facilities catered for the Light Sixes (4) and the Bedford 30 cwt truck, but in 1934 the Vauxhall management felt the need to have a model in the larger car market. These were the 'Big Sixes' and due to increased productivity, the 20 h.p. and 26 h.p. six cylinder models retailed at £325 and £550 - a considerable drop on the 'Silent 80' price. Michael Sedgwick wryly comments 'its appeal was to the captains of industry with fleets of Bedfords.' (5)

Vauxhall also entered into the larger commercial vehicle market in 1934 with the introduction of a 3 ton truck priced at between £245

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- (1) Automobile Engineer June, 1929, p.225 quoted in Lyddon ibid p.132.
  - (2) 'The Vauxhall Works,' Automobile Engineer Sept., 1933 pp 319-325.
  - (3) Luton News 30th March, 1933. p.11.
  - (4) 80% of Vauxhall car deliveries were Light Sixes in 1935. M.Sedgwick Vauxhall (1981) p.57.
  - (5) Ibid. p.56.

and £260. It was the cheapest in this range and only Morris Commercial at £276 and Fordson at £307 could come close to competing in price terms. (1) The effect of Vauxhall's price lead was to induce price reductions in the commercial vehicle field thereby creating a similar kind of price competition which had taken place in the car market in the 1920s. A close comparison is, however, difficult as there were considerable differences in commercial vehicle and car production. Despite moves toward mass production led by Morris-Commercial, Ford (Fordson) and Vauxhall (Bedford), this could only truly be effected in engine and chassis production. Body building was still very much a specialised part of the final stages of completion and was expensive because it was largely carried out by skilled manual labour. In fact Vauxhall offered over 44 variations of its seven basic commercial vehicle models: from vans to ambulances. Along with other major car producers, Vauxhall had moved into 'factory custom' body production, but where the demand for a body style was limited they commissioned it from specialists. Salmons-Tickford of Newport Pagnell, and Grosvenor, both of which had long associations with Vauxhall stretching back to before the 1st World War, were two of the seven outside firms with whom contracts for such work were pursued. (2) The trend towards the end of the decade was to eliminate these expensive side lines, and Vauxhall led the way in 1937 with the production of the ten h.p. H series,

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(1) Commercial Motor 27th April, 1934 p.385. Of the ten makes in the 3 ton category held up for price comparison, most were well over £300 and one over £400.

(2) Sedgwick op.cit p.42.



which was the first British integral all steel saloon body which needed no separate frame or chassis. (1) Once again, Vauxhall drew on the technical expertise of its American parent company, and much of the initial design work, draughting, and body tooling was carried out in the United States, as 'Vauxhall resources were inadequate at the time for such a heavy undertaking.' (2)

Maurice Olley and Alex Taub, two senior G.M. engineers, were transferred from Detroit to advise on the mechanical and design aspects involved in production. (3) Indeed, it was Taub who worked on its most outstanding sales feature, that of fuel economy. Working with the Zenith Carburettor Company he was able to produce an engine performance of over 40 miles to the gallon much to the initial disbelief of the motoring press. It was on proving this to be true that A.F. Palmer-Phillips, the sales distribution manager, based much of the 'Ten' publicity programmes, with successful results.

Another noticeable sales feature was independent springing, on which Olley had worked at the Cadillac Company. The advertising incorporated the phrase 'Riding changed to gliding,' emphasizing the ease and comfort in handling of the vehicle. (4) Fuel consumption, innovatory features and style were emphasised in the publicity campaign launched against Morris, Austin, Ford and Standard, which were the Vauxhall Ten's mass producer rivals, and it was priced at a competitive £168.

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(1) L.C. Derbyshire The Story of Vauxhall (Luton, 1946) p.43.

(2) M. Platt An Addiction to Automobiles (1980) p.98.

(3) Platt ibid p.98.

(4) Vauxhall advertisements and publicity in Vauxhall archives, Luton and The National Motor Museum Library archives, Beaulieu.

TABLE 12     Ten Horse power Model Competition in 1938 and 1939.

	<u>Morris</u>	<u>Austin</u>	<u>Standard</u>	<u>Ford</u>	<u>Vauxhall</u>
1938	£ 185	175	172	145	168
1939	£ 175	175	169	-	168

Sources: R.Church Herbert Austin (1979) Table 9, p.129. Taken from the Motor Car Index 1928-1939 (Fletcher and Son Norwich 1939) and Vauxhall Facts and Figures Vauxhall Motors. (Luton, 1966).

Its success is evidenced by the rise in Vauxhall car sales which topped 35,000 in 1938, outstripping commercial vehicle sales by over 10,000. More significantly it helped cushion Vauxhall against the recession in the motor vehicle trade which took place in 1938 and was more damaging to the industry than the depression in 1931. British car production fell from 390,000 in 1937 to 341,000 in 1938, a drop of  $12\frac{1}{2}$  per cent, (1) Vauxhall car production by contrast rose from 28,076 in 1937 to 35,415 in 1938, a rise of  $26\frac{1}{2}$  per cent. (2) British commercial vehicle production fell by 12% between 1937 and 1938, whilst Bedford truck production fell by 22 per cent. (3) Vauxhall combined car and commercial vehicle output nevertheless increased by 0.6 per cent; an infinitesimal increase, but an increase all the same when the output of the other 'Big Six' producers was falling in absolute terms. Vauxhall accounted for 10.4 per cent of British car output for 1938, the highest it was to achieve in the years up to the 2nd World War and

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(1) Calculated from G.Maxcy and A.Silberston The Motor Industry 1959 p.223. Table 1.

(2) Calculated from figures in Table 9, p.58.

(3) Calculated from Table 1 Maxcy and Silberston op.cit p.223 and Table 9 p.58.

and ample testimony of the importance of the Ten to Vauxhall. Morris and Standard attempted to counteract falling sales by cutting their model prices by £10 and £3 respectively, but the Vauxhall was still cheaper and superior. Only the Ford was lower priced but was still of comparatively inferior design. (1) It is interesting to speculate on the potential sales of the Vauxhall Ten had not the war intervened in the following year, causing Vauxhall to switch to truck and Churchill tank production. Between 1933 and 1937 Vauxhall reorganised and extended its plant continually and during that time floor space doubled from 20 to 41 acres. (2) In 1935 K Block was built covering  $6\frac{1}{2}$  acres and was mainly concerned with machining and assembly of axles, body finishing and general assembly. (3) In 1936. £200,000 was invested in a 7 acre increase in the works but capacity was still not enough to meet demand, and the proposals to bring the remaining sales and services from Hendon to Luton had to be postponed. (4) By 1936 Bartlett announced that the company had spent over £2 million on the Luton factory, a very great deal of which had gone in machines and machine tools. (5) However, the production of the Ten was to demand the largest single capital investment programme since the company's inception, costing a million pounds. (6) The Luton plant was extended by another ten acres to over 53 by 1938, and was the

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(1) See Table 12.p.73.

(2) See Table 9 p.58.

(3) Luton News 22nd Aug., 1935 p.9, col.6.

(4) Luton Evening Telegraph 29th Jan., 1936.p.1 cols 2 & 3. After the war Hendon became the H.Q. for the G.M.subsidiaries of Frigidaire, U.K.Open Marketing and AC Delco European Replacement Parts Operation.

(5) Ibid p.1. col.3. .

(6) Luton News 25th March, 1937, p.11 cols. 6 & 7.

single largest increase in floor space up to that time. More significant was the reorganisation of the production processes to incorporate the new integral body shell construction, which made Vauxhall the most advanced plant in Europe in this respect. The most interesting feature was the great advance in welding technique and the entire body shell was built without rivets or bolts by a series of flash welding operations. This was organised on a continuous basis with a time cycle of 6 minutes per shell, and the majority of operations mechanised to eliminate human error. Not surprisingly, output and productivity were considerably increased and the welding on a 25 h.p. model was reduced from 35 minutes to 2 minutes. (1) In 1933 the Luton plant was producing 150 chassis per day; (2) in 1936 this was raised to 225 vehicles per day, (3) and after the 1937 reorganisation 197 cars a day could be produced on a two shift system, and 272 on a three shift day. Estimating truck production at 41 per cent of output in 1938 this would give a total vehicle output per day of 333 vehicles on a 2 shift day, and 461 on a 3 shift day - an increase of between 48 and 105 per cent, depending on the number of shifts. Another indication of the increased efficiency of the plant was that although trading profits per vehicle fell from £36 to £26 between 1936 and 1938 total vehicle output increased by 18 per cent and car output by 66 per cent. (4) The reduction in profit per vehicle

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(1) 'Producing the Vauxhall Ten All Steel Body,' Automobile Engineer Jan, 1938.

(2) 'The Vauxhall Works,' Automobile Engineer Sept., 1933.

(3) 'The Vauxhall Works,' Automobile Engineer August, 1936.

(4) Calculated from Vauxhall Trading profits in Report to the Directors, for 1936 and 1938 and Vauxhall Facts and Figures, op.cit.

was the result of price reductions on those vehicles which mass production could allow while maintaining overall profits.

Despite Vauxhall's impressive performance it retained a number of weaknesses unique to the company and some that it shared with the industry as a whole. The Vauxhall site was unsuitable for a large modern factory as it was situated on the lower slopes of the Chiltern Hills which skirted Luton. This made expansion difficult and large volumes of earth had to be removed from the gradients to erect new buildings. The presence of Kimpton Road which at one time was on the periphery of the works, was, as a result of extensions, a central thoroughfare, necessitating bridge construction for the conveyance of vehicle units from one site to another. (1) Thus the organisation of production at Vauxhall was unique due to geographical location and hindered the attainment of maximum utilization of the works. Such considerations led to a decision in 1938 to purchase land in nearby Dunstable for the erection of a plant devoted to commercial vehicles, (2) though in fact this was not implemented until the 1950s. A feature of the move toward mass production is the reliance on outside suppliers of components, and manufacturing processes in car factories became largely replaced by assembly. (3) Vauxhall's reliance on supplies was greater than most, particularly those of the 'Big Three', and caused a number of weaknesses. Vauxhall had no foundry, all castings, stampings and forgings being bought in rough form to be machined at Luton. (4) A small output compared to those produced

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(1) 'Producing the Vauxhall Ten All Steel Body,' Automobile Engineer Jan., 1938.

(2) Luton News 14th July, 1938. p.10.col.2.

(3) Eric Bates interview March, 1980. He described Vauxhall in the 1930s as much more a giant assembly plant rather than a manufacturing centre.

(4) This was still the case in the 1970s. K.Ullyett The Vauxhall Companion (1971) p.44.

by the 'Big Three' meant that orders were smaller and contracts were consequently less valuable to suppliers such as Lucas and Smiths, who would naturally give priority to Vauxhall's larger rivals. This would have the effect of causing bottlenecks in production and delays in deliveries to dealers.

Morris had the advantage that it had pursued a policy of acquiring as many of its component suppliers as possible in the 1920s. (1) Though other firms purchased their castings from outside, Austin made a deliberate decision to manufacture as many as was possible from the mid 1920s, saving up to 50 per cent of the cost in this way. (2) Ford had its own foundry at Dagenham.

Charles Bartlett deplored Vauxhall's excessive reliance on external suppliers because it forced the company into the arms of suppliers and placed him at a competitive disadvantage. Criticism was aimed in particular at highly priced and inferior quality sheet metal and the price fixing of safety glass, paint, copper, nickel and lamp bulbs. (3) He viewed the monopolistic position of these manufacturers as obstacles to lower costs in the car industry and thus as a barrier to lower priced vehicles. (4) Certainly A.P.Young of the B.T.H. Company Limited, with whom he corresponded, did not share these views, (5) and Bartlett standing alone in this indicates the vulnerability of Vauxhall in this respect. (6)

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- (1) R.J.Overy William Morris, Viscount Nuffield (1976) p.28.
  - (2) R.Church Herbert Austin (1979) p.102.
  - (3) M.Platt An Addiction to Automobiles (1980) p.93. Letter from Bartlett to A.P.Young of the B.T.H.Co.,Ltd., 4th Nov., 1942. The Young Papers, MSS 242: T.26 Modern Records Centre, University of Warwick.
  - (4) Letter to A.P.Young 23rd Nov., 1942. Young Papers ibid.
  - (5) Letter from Young to Bartlett 9th Dec., 1942. Young Paper ibid.
  - (6) In 1954 the AC Delco division was formed which produced engine components and a factory was opened at Dunstable. 'About General Motors Limited, 'G.M.Ltd. P.R.Dept Typescript. (1977) p.2.

A third problem which affected Vauxhall, as well as the British car industry as a whole, was the failure to gain real economies of scale. Maxcy and Silberston estimated that a firm would need at least a run of 60,000 vehicles to achieve this, (1) but models would need to have enough similarities to allow the use of the same assembly lines. One corollary of the price-model competition which became the characteristic of the 1930's British market was the annual model change which was usually revealed at the Olympia Show in the Autumn. This increased costs and prevented long runs of production. Morris attempted to overcome this in 1935 with 'series' production where small technical changes might be made but the model remained constant over a number of years.(2) Morris claimed success, but other producers did not follow this practice until after the 2nd World War.

This dilemma led to conflicts of interest among Vauxhall departments. A.F.Palmer-Phillips, the Sales Director, was insistent that frequent changes in specifications would make Vauxhall cars and Bedford trucks more attractive to buyers. After the Olympia Show of 1938 he met with strong resistance from the cost-conscious production team led by Reg Pearson, A.W.Laskey, the Supply Manager, and the Chief Engineers. (3) Bartlett himself, parsimonious in business matters, sided with the production team, but the intervention of war in the following year caused Vauxhall to turn to other matters for the duration.(4)

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- (1) M.Maxcy and A.Silberston The British Motor Industry (1959) p.79.
  - (2) R.J.Overy William Morris, Viscount Nuffield (1976) pp 57 & 58.
  - (3) M.Platt op.cit. p.116
  - (4) Ibid pp 115 & 116.

### Vauxhall in the 1940s

With the onset of war, Vauxhall concentrated on fulfilling government contracts for the war department, and between 1939 and 1946 produced nearly a quarter of a million trucks, 5,640 Churchill tanks, and various other war materials ranging from 5 million jerrycans to steel helmets. (1) Car production which was limited to one hundred for military use had virtually ceased. (2)

Peacetime production was not resumed until 1946 and because of the preoccupation with war time orders, the continual and unremitting use of plant and capital equipment and steel shortages, the company was in no position to embark on a new peacetime car model programme: a situation shared by the industry as a whole. In addition the change over from War to peace-time production took some reorganisation, and it was not until well into 1946 that new cars were leaving Luton in significant numbers. (3) Given the circumstances it is not surprising that Vauxhall resumed production of its tried and tested pre-war models, the Ten, Twelve and Fourteen, and it was not until 1948 that the first post-war designed car emerged.

In contrast to the pre-war years a sellers market prevailed. European producers had been hard hit by the War and many plants lay in ruins. American plants were working flat out to fulfill home demand.

The Labour Government with balance of payments problems, and in particular the need for dollars explains why exporting was accorded highest priority with motor vehicles singled out as a particular spearhead in the export drive. (4) This, too, played a role in delaying the introduction of new models.

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- (1) W.J.Seymour An Account of Our Stewardship (Vauxhall Motors Ltd, Luton 1946) pp. 3 & 4.
  - (2) A History of Vauxhall (Vauxhall Motors, Luton 1980) p.47.
  - (3) Ibid p.49.
  - (4) Graham Turner The Car Makers (1963; paperback ed. 1964) p.30.



Vauxhall followed the national trend in production as pre-war peaks were reached and surpassed by 1948, but with one difference, for commercial vehicle output once again exceeded car output at Vauxhall for the years 1946 and 1947, mainly because the works were fully tooled up for this since war time production. From 1948 to 1950, however, car production exceeded that of commercial vehicles mainly as a consequence of the export drive and the resumption of pre-war car sale trends of Vauxhall vehicles, as may be seen in the following Table.

TABLE 12 Vauxhall Output 1946-1950.

	<u>Total Output</u>	<u>Cars</u>	<u>C.V.s</u>	<u>Employees</u>	<u>Total Floor area</u>
1946.	53,586	19,772	33,864	11,588	64 acres
1947	61,453	30,376	31,077	11,773	64 "
1948	74,576	39,566	35,010	11,943	64 $\frac{1}{4}$ "
1949	84,167	45,366	38,801	12,003	80 "
1950	87,454	47,025	40,429	12,659	80 "

Source: Vauxhall Facts and Figures (Vauxhall Motors, Luton 1966)

In terms of percentage share of the market Vauxhall was back to its pre-war peak of 10.5 per cent (achieved in 1930) by 1947 and increased by about 1 per cent in the following year. Though overall output increased, Vauxhall's share of the car market fell below 10 per cent in 1950. The Bedford share of the commercial vehicle output shows a marked fall. From a pre-war peak of 27 per cent of the market in 1937, Bedford's share dropped from 22 to 15 per cent between 1946 and 1950. This was due to the concentration of Vauxhall production on car output as works capacity was to the limit in trying to meet orders, and priority was given to cars which afforded a larger profit per unit, and plans were in the pipeline to set up a separate commercial vehicle assembly plant at Dunstable.

TABLE 14 Vauxhall Share of the Car and C.V. Market 1946-1950

	<u>Vaux. share of G.B. Car Output</u>	<u>Bedford share of G.B. c.v. output</u>	<u>Vaux. vehicle output as share of G.B. output</u>
1946	9 %	22.8 %	14.6 %
1947	10.6	19.6	13.8
1948	11.8	19.7	14.5
1949	11.0	17.7	13.3
1950	9	15.3	11.1

Source: G. Maxcy and A. Silberston The British Motor Industry (1959)  
Table 1 p.223. Calculated with Vauxhall Facts and Figures  
(Luton 1966).

Of the other car firms the combined share of the market of Austin and Nuffield also fell to below 40 per cent; a drop of 6 per cent on their combined percentage in 1939. Ford increased its share the most, regaining the ground lost in the latter part of the 1930s; by the end of the decade the Rootes group increased their percentage share by 3 per cent over the pre-war peak.

TABLE 15 Percentage Share of Total Production of Cars 1946-1950

	<u>Vauxhall</u>	<u>Austin- Nuffield</u>	<u>Ford</u>	<u>Rootes</u>	<u>Standard</u>	<u>Others</u>
1946	9.0	43.4	14.4	10.7	11.6	11.0
1947	10.6	39.3	14.8	10.5	12.9	12.0
1948	11.8	40.2	19.8	10.3	11.2	6.7
1949	11.0	39.4	18.7	13.3	11.1	6.5
1950	9.0	39.4	19.2	13.5	11.1	7.8

Source: G. Maxcy and A. Silberston The British Motor Industry (1959)  
Table 3, p.117.

However, the changes of percentage share did not alter as radically as in the 1930s, and the gains made by the American-owned subsidiaries and by Rootes and Standard were consolidated in this period. (1) The falling share of the market was experienced by those companies outside the 'Big Six' which, had been able to gain some ground in the immediate post-war years, but which as the major companies began to plan large investment programmes from 1948, subsequently experienced the effects of their competitive disadvantages. By the mid 1950s their share was just above 4 per cent.(2)

Another feature of the post-war years was increased government involvement, a trend which was to continue. Apart from measures intended to stimulate exports Stafford Cripps, the Chancellor of the Exchequer, attempted to increase standardisation to enhance greater efficiency in the industry. In 1948 the Big Six Standardisation Committee was set up in anticipation of such government controls. The aim of the committee was to attempt to standardise components and ease interchangeability of company model parts.(3) The results were rather mixed, as strong opposition was encountered from Smiths (the clock and panel instrument makers) and the G.M. subsidiary of AC Delco. (4)

More important for Vauxhall was the abolition of the horse power

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- (1) In the 1950s and 1960s, however, Rootes and Standard were to experience violent financial problems in the losing race to reap economies of scale. D.G.Rhys Concentration in the Interwar Motor Industry The Journal of Transport History Sept., 1976 p.258.
  - (2) G.Maxcy and A.Silberston The British Motor Industry (1959) Table 3, p.11
  - (3) M.Platt An Addiction to Automobiles (1980) p.152.
  - (4) Platt ibid p.153 Austin and Nuffield agreed to standardise parts which proved to be the prelude to the formation of BMC. R.J.Overy William Morris (1976) p.63.

system of car tax, and the introduction of a new flat rate system in the budget of 1947. Charles Bartlett said in 1944 'Were it not for this tax, on units of horse power, car manufacturers would list fewer models and produce each one more cheaply than at present'. (1) A long term aim of the budget proposals was to do just this, the intention being to reduce model competition and provide a market structure which would provide greater incentive for achieving economies of scale.

Vauxhalls immediate response was to drop the production of the Ten in the knowledge that the Twelve could be built and operated at much the same cost. In the following year two new models appeared in the form of the 6 cylinder Velox with a  $2\frac{1}{2}$  litre engine, and the 4 cylinder Wyvern with a  $1\frac{1}{2}$  litre engine. (2) In essence, they were restyled 12 and 14 h.p.s with origins in the 1930's Light Sixes; but the new styling and body work heralded the new look which was to emerge in the following decade. (3)

The discussion of the production of the Wyvern and Velox revealed a new trend in Vauxhall management. Ed.Riley a tough negotiator had replaced Jim Mooney as Head of G.M.O.O. in 1941. He had a 'formidable personality (and) an unequivocal belief in the validity of a bold post war policy to increase G.M.'s manufacturing capacity overseas, especially in England.' (4)

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(1) Sir Charles Bartlett 'Taxation and the Motor Industry,' 1944. Publication source unknown. Quoted in Platt op.cit. p.147.

(2) A History of Vauxhall (Vauxhall Motors, Luton 1980) p.51.

(3) Platt op.cit. p.149.

(4) Platt op.cit. p.139.

Throughout the war years Vauxhall had enjoyed almost complete autonomy and one of Riley's aims was to relocate control in the American parent company. The fundamental conflict between Riley and Bartlett, which had been submerged in the hectic post-war years, were revealed over major new policy decisions suited to new economic conditions, for whereas Riley wished to inaugurate an entirely new model Bartlett wanted to revamp the Twelve. (1) Bartlett approaching 60 years of age, succeeded in securing a compromise but it became clear that soon there would be a removal of the relative independence which the British managers had enjoyed in the 1930s.

During the war there had been much enthusiasm generated for a forward-looking planned economy embracing a welfare system which, it was hoped, would prevent a return to the pessimism of the 1930s. Bartlett shared this viewpoint but with one difference. He wanted to see large companies such as Vauxhall sharing this role. The key to ensuring that the post-war economy did not generate large scale unemployment lay in expansion of industry through the adoption of new methods of production which lowered prices by creating large economies of scale. (2) This he constantly preached and in 1948 Vauxhall with the full approval of General Motors embarked on a huge reorganisation programme in which £14 million was

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(1) Platt op.cit p.148

(2) 'Bold Planning Needed to find New Jobs After the War,' reported Bartlett speech. Luton News 26th Aug., 1943, p.8 col.3.  
'New Attitude to Industry,' reported Bartlett speech. Luton News 6th Dec., 1945 p.6. col.5.

invested. (1) The floor space of the Luton works was increased by 30 per cent, and production streamlined. (2) This was accomplished by the production of only two car models (Velox and Wyvern), and alone among the large producers Vauxhall was committed to a programme of one hull, one wheel base and a choice of only two engines: which 'was in stark contrast to the complicated line up offered by Nuffield' for instance. (3)

Though they may have not realised it at the time, Vauxhall was preparing for the intensities of competition from home and overseas producers which were to take place in the following decades.

### Conclusion

In explaining the success of Vauxhall in the 1930s many historians of the vehicle industry have stressed the advantages bestowed on it by its American parent company.(4) While this is undoubtedly true both for Ford as well as for Vauxhall, success was not automatic. While the availability of capital, technical expertise, national and international dealer outlets and marketing expertise (particularly in the case of Vauxhall) were vitally important, the Americans failed to perceive the divergences and dissimilarities between the American and British market. In America huge factory capacity and home demand enabled U.S. manufacturers to achieve economies of scale,

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- (1) In the post-war years all expenditure of £1 million pounds or more had to be approved by General Motors. Interview with Sir Reginald Pearson. Thus while the expansion seem to have been a Bartlett initiative its approval rested with G.M. who saw this as part of their overseas policy. Bartlett's power was gradually removed in the early 1950s and in 1953 was given the post of Chairman, which was seen as a figurehead position rather than one vested with power. Who Was Who 1951-60.
  - (2) A History of Vauxhall (Vauxhall Motors, Luton. 1980) p.68.
  - (3) M.Sedgwick Vauxhall (1981) p.66.
  - (4) R.J.Overy William Morris (1976) p.43 R.Church Herbert Austin (1979) p.20 for example.

but the emphasis in the British market came to be in price-model competition, modified by taxation which influenced manufacturers to turn towards smaller engine models. As we have seen both Ford and Vauxhall owed much to their British managements in demanding suitable vehicles for the British market. The attempt to foist the Model A on the British market met with failure, and the Vauxhall Cadet was a disappointment. It was Ford Model Y and the Vauxhall Light Sixes and Tens which made the impact and these models conformed to prevailing British market trends.

Penetration by the American companies was also made easier by the inability of Austin and Morris to capitalize on their success in the 1920s. This has been attributed to management problems, particularly at Morris; and Austin's lag in car design in the 1930s, which was only remedied in 1939. (1) Rhys claims that because of this failure the tendency towards concentration of the 1920s was actually reversed and had much to do with the unique nature of price-model competition in the 1930s, which in many ways was unhealthy, and delayed the final 'shake out' to the 1950s and 1960s. (2) Such factors allowed the American-owned British subsidiaries to capture a considerable percentage of the expanding car market from 1934.

Nevertheless, the performances of Vauxhall and Ford could have been

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- (1) R.Church and M.Miller The Big Three: Competition, Management and Marketing in the British Motor Industry, 1922-1939, in (ed) B. Supple Essays in British Business History (Oxford 1977) pp 167 & 173.
  - (2) D.G.Rhys, Concentration in the Inter-War Motor Industry, The Journal of Transport History Sept., 1976 pp 247-249.

better. Ford's preoccupation with price, in a price-model market did not create long term sales, and the attempts to sell a £100 car in 1935 proved as unsuccessful as were those of Morris and Austin in the small horse power range. The gains made by Ford in the earlier part of the decade were eroded after 1937, and the Dagenham works never achieved full peace-time capacity until after the 2nd World War. Vauxhall car output was small compared to the 'Big Three' (Austin, Morris and Ford) and most of its success rested on its commercial vehicle sales. Its emphasis on large car models until 1933 ensured a late entry into the mass producer market, and its really successful car, the Ten, commenced production in 1938 but within two years war broke out.

The main success story for Vauxhall was the 30 cwt truck which found great popularity at home and abroad, and it was the profits of the sales of this vehicle, more than any other, which enabled Vauxhall to plough back its returns in expansion programmes, a strategy more closely examined in the next chapter.



## CHAPTER FOUR    Financial, Marketing and Export Strategies.

### Financial Strategies

It is not difficult to surmise that with the take-over of Vauxhall by General Motors much of the capital investment which was needed would be provided by the American parent company. The initial purchase price of  $2\frac{1}{2}$  million dollars (approx. £ $\frac{1}{2}$  million) was supplemented by the acquisition of the ordinary shares which were increased in value from 10/- to a £1 each. The Preference shares were also increased from 10/- to £1. The total shares were thus 600,000 made up of 300,000 shares of each type. (1) \* The debenture stock raised in 1925, just prior to the G.M. purchase remained on the books and totalled £350,000 at 7% interest redeemable in 1928/52. (2) Thus of the £950,000 in shares and debentures, G.M. only held £300,000 in 1926. The strategy of G.M. was to increase its holdings by expanding the ordinary shares while the Preference shares and debentures remained unchanged. In 1927 the ordinary shares were increased by 68,000 (3), and in 1928 increased by another 82,000 to give a total of 450,000 G.M. owned ordinary shares. (4) This situation was to remain until 1936 when the ordinary shares were increased to 1,000,000 because it was felt necessary 'to bring the issued capital of the company more into line with the capital actually employed in the business.' (5) The shares were, of course, totally G.M. owned.

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(1) 'Report to the Directors for Year Ending 31st Dec., 1925.'

(2) Ibid

(3) Companies House Vauxhall File No. 135769

(4) Ibid

(5) Report of Extraordinary Meeting Vauxhall Motors. The Times 7th February, 1936, p.19, col.6.

The 'capital normally employed in the business' had been enormously expanded in the interim period in order to precipitate the rapid expansion of Vauxhall to cope with mass production. The additional capital investment came from two sources. Initially, from General Motors, and after 1934 from profits, once all previous debts had been paid off. (1) Internal financing was also a predominant feature of Austin, Morris and Ford. Both Vauxhall and Ford achieved this by making heavy provisions for depreciation, (2) as the following table shows.

TABLE 16 Capital Investment Vauxhall Motors 1925-1938 (3)

<u>Year</u>	<u>Ord.Shares</u>	<u>Pre.Shares</u>	<u>G.M.Invest.</u> (in millions of £s)	<u>Assets</u> (in millions of £s)	<u>Depreciation</u> £s
1925	300,000 (@10/-)	300,000 (@10/-)	0.5	1.2 *	28,713
1925	300,000 (@ £1)	300,000 (@ £1)			
1926	"	"		1.1 *	40,689
1927	368,000	"	0.25	1.4 *	51,866
1928	450,000	"	-	1.2 *	47,019
1929	"	"	0.25	1.4 *	50,040
1930	"	"	0.16	1.7 *	60,513
1931	"	"	-	1.5 *	230,909 +
1932	"	"	0.5	1.6 *	229,077 +
1933	"	"	0.25	1.7 *	388,818 +
1934	"	"	-	2.3 *	529,213 +
1935	"	"	-	3.0 *	513,539 +
1936	1,000,000	"	-	4.0 *	543,702 +
1937	1,500,000	"	1.0 ++	4.5 *	710,930 +
1938	"	"	-	5.2 *	815,993 +

\* Assets included are Land, Buildings, Plant, Machinery, Special Tools jigs, dies and current assets.

+ These figures include depreciation on building, plant, equipment; amounts written off for special tools, jigs and dies; maintenance of buildings equipment and replacement of tools; plant rearrangement expense.

(1) 'Report of Vauxhall for 1933' Times 9th March, 1934 p.20 col.3.

(2) Maxcy and Silberston op.cit Table 9 p.163.

(3) Compiled from Vauxhall Companies House file 135769; Reports to the Directors 1925-1938; Report of Ord. Gen. Meetings Times 1925-38.

++ The £1,000,000 investment in 1937 came out of profits and increase of G.M.Ordinary Shares.

The share capital of the firm was not increased until after the war and expansion was financed mainly through retained earnings and depreciation. In 1948 despite having only  $1\frac{1}{2}$  million ordinary shares the Company report states that 'the true capital is over £7 million.' (1) In 1949 the ordinary shares were increased to  $3\frac{1}{2}$  million to finance an expansion programme totalling £10 million, of which 'the balance will be provided out of the company's own resources.' (2)

The ability to finance much of its own expansion is true testimony of the success which Vauxhall experienced in the 1930's. This can be clearly evidenced by the profits on trading and net profits.

TABLE 17 Vauxhall Profits and Turnover 1929-48 (3)

<u>Year</u>	<u>Profit on Trading</u>	<u>Actual Profit(a)</u>	<u>Turnover</u>	<u>Profit Retained(b)</u>
1929	-320,943(loss)	-283,791(loss)	-	-283,791(loss)
1930	- 4,079 "	- 88,536 "	-	-382,348
1931	310,460	56,039	-	-392,344(loss)
1932	375,453	123,034	2 million	-268,995 "
1933	873,749	461,426	4 "	192,431
1934	1,371,481	837,909	7 "	956,091
1935	1,535,276	1,012,721	8 "	1,514,359
1936	1,759,281	1,214,550	9 "	1,161,581
1937	1,905,760	1,159,752	11 "	1,534,863
1938	1,622,336	743,293	10 "	1,226,949
1945	2,309,247	597,327 *	-	-
1946	1,535,378	817,096	20 "	-
1948	3,060,178	957,781	26 "	-

\* low actual profit due to 'high taxation; shortage of materials which increased price, and change from war to peace time production. (4)

(1) Report Ord. Gen.Meeting.1948. Times 13th April, 1948 p.9,col.9.

(2) Announcement in Times 5th October, 1949 p.9, col.2.

(3) Sources: Reports to the Directors 1929-1938; Times Reports of Ord.Gen.Meetings 1929-1948; Vauxhall Facts and Figures op.cit.

(4) Times 4th May,1946 p.9, col.7. Report Ord. Gen.Meeting.

(a) Net profits before tax i.e. trading profits, plus other income, less depreciation, director's salaries, debenture interest, before deduction of preference and ordinary dividends.

(b) After payment of all debts plus previous years sums brought forward and after deduction of preference and ordinary shares dividends.

Vauxhall's success is indicated plainly by their profits in relation to their assets, and using this as a yardstick compare more than favourably with the two leaders of the 'Big Six' - Austin and Morris.

TABLE 18 Profits as Percentage of Assets Vauxhall, Austin and Morris 1931-1938 (1)

Year	<u>Vauxhall</u>		<u>Austin (2)</u>		<u>Morris (3)</u>
	a	b	a	b	b
1931	20	3.7	32.0	23.7	3.5
1932	23	7.6	25.3	19.2	7.2
1933	51	27.1	27.5	21.9	6.4
1934	59	36.4	31.9	25.4	10.5
1935	51	33.7	29.1	23.2	12.4
1936	43.9	30.3	28.8	22.3	6.3
1937	42.3	25.7	30.8	22.8	1.1
1938	31.1	14.2	34.5	15.8	-1.1

a. Trading profit as % of assets.

b. Net profit as % of assets.

In 1931 the newly reorganised and capitalised Vauxhall does not compare favourably with Austin, and is more on a par with the troubled Morris concern which was witnessing its 1920's lead diminishing. By 1933

Vauxhall was outstripping Austin and peaked in 1934, though the percentages remain<sup>ed</sup> healthy until the end of the decade. Austin regained its lead in 1938 but only marginally.

The above statistical table shows the high comparative return on capital assets of the Vauxhall organisation particularly compared to Morris.

For example, although Morris output was nearly twice that of Vauxhall its trading profit was on a par with Vauxhall (£1,442,000) (4) and its

(1) Vauxhall figures calculated from Table 17.

(2) Austin figures taken from Roy Church Herbert Austin (1979), Table 14, p.143.

(3) Morris figures calculated from R.J.Overy William Morris Viscount Nuffield (1976) Table 2, appendix one, p.129.

(4) Overy op.cit table 2, p.129.

retained profit only slightly more at £1,083,000. (1) Vauxhall's of course pursued a policy of writing off as much depreciation as possible even when not fully justified.

Thus Vauxhall's economic performance in the 1930s was, in terms of expansion and return on capital assets, quite remarkable and the peak reached in 1938 of 11.3 per cent of the car market was not bettered throughout the 1950s. (2).

A further indicator of this success is profit per unit which averaged £28.8 on trading profit and £15.5 on actual profit in the years from 1931-38. Vauxhall's performance measured in these terms was consistently better than Morris and had surpassed Austin by 1934, although Austin performed better in this respect in 1938 as the following table demonstrates.

TABLE 19. Profit per Unit Vauxhall, Morris, Austin 1931-38.

Year	Vauxhall (3)		Morris (4)		Austin (5)
	a	b	a	b	b
1931	£20	£ 4	£17.2 +	£ 5.6 -	£24 -
1932	£22	£ 7	£19.2 +	£10.9 -	£23 -
1933	£31	£16	£19.1 +	£11.0 +	£18 -
1934	£34	£21	£20.0 +	£14.1 +	£19 +
1935	£31	£21	£14.9 +	£11.2 +	£15 +
1936	£34	£24	-	- *	£16 +
1937	£32	£19	-	-	£14 +
1938	£27	£12	-	-	£14 -

- a. Profit per unit on trading profit.  
b. Profit per unit on actual profit.  
+ Vauxhall has greater profit per unit.  
- Vauxhall has less profit per unit.  
\* No output figures available.

(1) Overy op.cit table 2, p.129.

(2) Maxcy and Silberston Op.cit. Chapt. VII, table 2 p.107 and table 3 p.117.

(3) Calculated from figures in table 9 and table 16.

(4) Calculated from Overy op.cit figures in tables 1 & 2, pp.128 & 129.

(5) Taken from Church Op.cit Table 8, p.114.

Compared with Vauxhall's profit per unit in 1913, at £80 on actual profit, the 1930 figures may seem small, but the nature of production in Vauxhall (and most other car firms) until the mid 1920s was to achieve greater profits per unit on lower output. In the 1930s the object was to achieve economies of scale, and by producing a far greater output at lower profit achieve greater overall trading and actual profits. Thus profits in relation to output were more efficient in terms of marginal cost. Compared to American companies, British manufacturers never achieved the full potential of economies of scale in the 1930s. (1) This was partly due to the limited size of the British market but also hindered by model competition which caused manufacturers in Britain to produce too much variety at the expense of large production runs. It has been calculated that a firm would need to produce at least 60,000 vehicles to achieve true economies of scale. (2) Vauxhall's peak production year in the 1930s was 60,111 but this was combined cars and c.v. output, and 5 car models and 4 c.v. models. It was not until the 1950s that Vauxhall began to achieve true economies of scale.

For General Motors, as major share holder of Vauxhall, a prime consideration was the return on capital in the form of dividends. This was the form in which they received their profits from Vauxhall. No dividends were paid until 1934 because it was not until that year that the directors could finally write off the remaining outstanding deficit of £268,996. (3) In 1933 arrears of dividend to preference share holders amounted to £90,000. (4) The 1934 £870,000 trading profit

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(1) Maxcy and Silberston Op.cit p.79

(2) Ibid p.79.

(3) Report in Times 9th March, 1934, p.20, col.3.

(4) Report to the Directors for the year ending 1933.

allowed Vauxhall to pay off these preference share arrears and to pay an ordinary share dividend of £261,562 to G.M. Until 1938 the preference share dividend at 6 per cent averaged £13,000 per annum while the ordinary share dividend averaged £220,000 per annum, as the following table details.

TABLE 20 Dividends on Preference and Ordinary Shares, and Interest on First Mortgage 7% Debenture stock 1927-38. (1)

<u>Year</u>	<u>Debenture Stock Redeemed by Trustees.</u>	<u>Interest</u>	<u>Pref.Div.</u>	<u>Ord.Div.</u>
1927	£ 5,000	-	£ 18,000	-
1928	10,000	-	22,000	-
1929	16,740	-	-	-
1930	23,161	£ 22,500	-	-
1931	29,225	22,760	-	-
1932	37,395	22,274	-	-
1933	44,885	21,751	-	-
1934	52,902	21,358	90,000	£ 261,562 75%
1935	61,402	20,796	13,950	343,125 45%
1936	70,402	20,918	13,837	228,750 50%
1937	80,102	20,290	13,612	225,000 45%
1938	91,102	19,572	13,275	217,500 20%

It is to be noted that dividends throughout the war years on ordinary shares was 15% rising again to 20% in 1945. (2) The £1,275,937 ordinary share dividend totals for 1934 to 1938 seem to prove correct the critical analysis of The Motor when G.M. took over Vauxhall in 1925. (3) Ordinary shares were expanded while previous stock holders took preference shares at a fixed 6%. The Motor however, was not correct in one respect - it only put the percentage dividend at 10%.

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(1) Source: Reports to the Directors 1927-38.

(2) Reports to Ord. Gen. Meeting Times 1940-45, each April.

(3) The Motor 3rd November, 1925.

The interpretation of such facts is open to value judgements, but while it is true that G.M. took total control of the company, it was their risked capital investment which was primarily responsible for its continued existence and expansion, which was by no means certain in the late 1920s or the early 1930s. Between 1925 and 1938 G.M. invested approximately £2 million in Vauxhall of which it had gained in return £1,275,937 in dividends. Add to this £1½ million in ordinary shares and approximately £5 million in assets, and it can be seen that General Motors held a company worth approximately £8 million: an increase in value of over £7 million on the pre-purchase figure of 1925.

In concluding this section it is worth quoting Frederic G. Donner, Chairman of G.M. Board and Chief Executive Office, 1967, in reference to G.M.'s overseas financial strategy:

'While development programs generally have often focused on the transfer of capital, hopefully accompanied by the transfer of skills and methods, the emphasis in the General Motors experience has been just the reverse. It took a commitment of capital to get started, but increments to the initial investment generally have been self-generated or locally financed rather than provided through additional funds from the parent company. What have been continuously transferred in very large quantities are the policies, practices, and the skills that have so successfully applied in the parent organisation, modified of course, to adapt to local conditions. ' (1)

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(1) Frederic G. Donner 'The World-wide Industrial Enterprise: Its Challenge and Promise' New York, 1967, pp v and vi.



This can clearly be seen to have been the Vauxhall experience.

### Marketing Strategies

One important area where 'policies, practices and skills' have been transferred from G.M. to Vauxhall is in marketing and distribution. The leading British car manufacturers in the 1920s, Ford, Morris and Austin, had merchandising techniques which differed 'from American practice more in degree of advancement than in principle.' (1)

While this was true of the leaders in this decade the changes experienced by Vauxhall in the inter-war years under G.M. influence were quite radical in terms of marketing and distribution. This question of the relation between G.M. and Vauxhall was raised by Takeshi Yuzawa at the 7th International Conference on Business History.(2) In this section an attempt will be made to answer this question.

The main periods of Vauxhall development of marketing can be divided into three: From 1905 to 1922/3; from 1923 to 1929; and from 1929. The major division is, of course, from the late 1920s when Vauxhall began to make major use of the G.M.Hendon sales and service experience. Marketing relies on the size and nature of the vehicle market and in the years before the 1st World War this was limited by the high cost of the product to a comparatively small wealthy clientele. (3) This initial demand market (4) meant that the major task of the manufacturers was to publicise their vehicles so that potential buyers were aware of their existence and their merits. In this respect Vauxhall was

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- (1) Roy Church 'The Marketing of Automobiles in Britain and the United States before 1939.' p.72 in Development of Mass Marketing: The Automobile and Retailing Industries. (eds) A.Okochi & K.Shimokawa 7th International Conference of Business History, Tokyo.
  - (2) Ibid p.92. Published seminar comments after the above lecture.
  - (3) Ibid p.64.
  - (4) Ibid pp. 65 & 66. Roy Church describes initial demand as 'that which is attributable to the purchases made by those consumers who could afford to buy motor vehicles and realized their utility and desirability. In this phase, elasticities of income and price are likely to be less important, at least directly, than what might be called elasticities of product improvement.'

no different from other car firms at this time. Advertisements were placed in trade and car journals, which had grown up from the 1890s, and also newspapers and magazines. The major event to exhibit cars was the Olympia Motor show, and although this did not have the significance which it was to assume in the inter-war years, when companies used this as a means to unveil their new annual models, it was a focal point for the developments within the motor trade. The first reference to Vauxhall exhibiting there was in 1905, (1) and it was to continue to do so throughout this period. As a result of the limited nature of the market which was confined to upper and upper middle classes, price was of less importance than technological development, comfort and performance. Vauxhall began by manufacturing light cars between 5 and 12 h.p. retailing at between £150 and £375, which was relatively cheap for those days. However, from 1905 the size of Vauxhall vehicles steadily increased together with the price, reaching a maximum 35 h.p. and prices reached above £600. (2) This was truly reflective of the initial demand nature of the market.

Little is known of the early Vauxhall distribution and customer services. Initially, most customers actually purchased at the factory where closer attention could be given to individual customer requirements but from 1908 this became increasingly difficult as sales expanded, but direct contact was maintained with the owners of sporting cars

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(1) 'Olympia Show Report' Autocar, 25th November, 1905 p.685.

(2) See Table 1, p.10.

which they were starting to develop. (1) After the move to Luton in 1905, Vauxhall still maintained a London office at Leadenhall Street. This was its London office for sale of its marine engines as well. It is interesting to speculate whether Vauxhall made use of its customer contacts in this side of the business, as other car manufacturers had used bicycle outlets for its initial sales. (2)

Unfortunately no records remain to provide such information.

One of the major forms of publicising vehicles in this period and in the 1920s was participation in reliability trials and races, in which the prestige of a company could be enhanced overnight. In this way technical innovations 'not visible to potential buyers' (3) could be demonstrated effectively. Hill climbs, endurance runs, stunts, races and trials drew considerable public attention in the press, which was fascinated by the exciting novelty of record breaking which racing car drivers, and indeed, aeronauts were attempting at this time. For the comparatively young members of the Board of Vauxhall the attraction was no less magnetic. A.H.Hancock, Kidner and Pomeroy, all in their twenties or thirties, threw themselves into such activity to an absorbing degree.

Vauxhall first entered such events in 1904 in which it participated in the Glasgow to London endurance run (4) with a light car driven by Percy Kidner. In 1905 a car was entered for the Isle of Man T.T., and in 1908 Vauxhall successfully participated in the R.A.C. 2,000 miles Reliability Trials. In that year Vauxhall gained successes in

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(1) Derbyshire op.cit p.17.

(2) R.Church op.cit p.62. Humber, Rover and Singer are particular examples in this respect. Morris began as manufacturer and repairer of bicycles.

(3) R.Church Ibid p.67.

(4) Derbyshire op.cit p.14.

3 trials and 4 hill climbs. In 1909 a car was entered for the races at Brooklands and in 1912 a 'Prince Henry' was entered for the French Grand Prix. Vauxhall's most successful year was in 1913 when the '30/98' was winner of many events in its category. There is no doubt that these activities elevated the reputation of Vauxhall cars in the public eye. Both the 'Prince Henry' and the '30/98' were produced as normal road vehicles and their reputations no doubt stimulated the sale of less high performance Vauxhall models. From 1910 Vauxhall entered international car events, including Russia, Germany, Scandanavia, France, New Zealand, and Australia. (1) It was Vauxhall's successes in Russia in 1911 and 1912 which led to numerous sales there and the eventual opening of an office in Petrograd.

After the 1st World War Vauxhall resumed participation in trials and races in 1920 but not to the same degree. In 1919 Vauxhall announced that 'a change in their policy in the marketing of their cars in England has been decided upon.' (2) The London show rooms, which they had acquired in Great Portland Street in 1912 were to be handed over to their London agents Messrs Shaw and Kilburn L.T.D. of 114, Wardour St., W.1., 'thus relinquishing definitely their handling of retail trade. The present officials in the sales department will continue in the service of the company.' (3) By doing this Vauxhall hoped to concentrate their efforts purely on production and leave the marketing and distribution to those who had the knowledge and resources to handle this side of the business. In some respects this was a wise move.

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(1) Derbyshire op.cit chapt.V.

(2) The Luton News 27th February, 1919 p.7.

(3) Ibid

The market had begun to change, speeded by the Depression of 1921 which hit the car industry particularly severely. In addition Morris and Ford had laid the groundwork for mass production which many other car firms would be forced to imitate or go under. This process was to come to maturity in the 1930s, and the changes taking place were slow to be assimilated by many car companies including the Vauxhall board. By 1922 Vauxhall had come to realise the need for greater sales at lower prices of car, as the full effects of price competition adversely affected profits. In 1923 Vauxhall withdrew from sporting events and concentrated on car production.

The second phase of Vauxhall marketing from 1922/3 to 1929 can only be described as years of uncertainty. Price competition was pre-eminent and the market was slowly percolating down to lower income levels as mass production made car prices more within the reach of the middle classes. Vauxhall's general sales policy had to come in line with demand and from 1922 began to produce a 14 h.p. car priced from £495 - a considerable drop in price compared with immediate post-war prices at nearly £2,000. In the 1920s Vauxhall appeared to be trapped between the reputation it had created by its high performance vehicles, the desirability of the Board to keep that reputation intact and the changing nature of the market. It attempted to resolve this problem by reorganising production on a 'semi flow assembly' basis. Until 1924 the hope of the board was that the old market conditions would return, a theme frequently reiterated by the Vauxhall Board in its annual reports. Reality was fully faced in 1925 when on the verge of bankruptcy it was forced to sell to General Motors.

The indecision as what to do with their newly acquired British company continued this air of uncertainty, and Vauxhall plodded along with its rather pedestrian sales and marketing techniques. In some respects it was forced to continue in this vein due to the hostility and controversy engendered over the G.M. purchase. Consequently the American ownership of the company was kept in low profile.

When in 1928 G.M. decided to develop Vauxhall the full resources and expertise of marketing and distribution of not only Hendon but G.M. worldwide was made available to the Luton factory. In July 1928 the Hendon Branch began to produce The General Motors News. The first edition stated that:

'it is essential that constant and intimate touch with retailers should be ensured, and that they, in turn should have easy means of maintaining constant touch with the principle executives of the firm.' (1)

Such promotional journals were not new in the British motor industry. Austin had pioneered this development with the Austin Advocate started in 1911. (2) Morris had founded the Morris Owner in the early 1920s. (3) Leading British car firms were fully aware of the importance of advertising and promotion and developing dealer and distribution networks. The main difference between them and their American rivals was in the advancement of these sales techniques;

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- (1) Walter Boyle 'Why a House Journal?' in General Motor News July, 1928, Vol.1 No.1.
  - (2) R.Church Herbert Austin (1979) p.25.
  - (3) R.J.Overy op.cit p.32.

and in this respect G.M. was in advance of Ford. In the early 1920s Ford had seen his business as 'making cars not selling them.' (1) The lead which G.M. took over Ford in the 1920s was strongly based on its development of strong marketing policies created by Richard Grant, whose pioneering sales methods he brought from his work with the National Cash Register Company. (2) In 1928 Grant visited Britain and gave a lecture to 260 G.M. Hendon staff and dealers. He emphasised that the basis of all successful selling was 'the right model, in the right place, at the right time.' (3)

'The right model' was the first decision to be taken, and this resulted in the production of the 'Cadet' which failed to make a large penetration into the British market and which Sloan described as 'disappointing.' (4) The 'Light Sixes' had more success and the 'Ten' enabled a peak in Vauxhall car sales by the end of the decade, but given the resources available to Vauxhall from G.M. its overall performance did not match that of Morris, Austin and, its American rival on the British market, Ford. They were two major reasons for this. Firstly, Vauxhall could not market a full range of cars in each price and h.p. bracket as G.M. had done in the United States, because the British car market had enough ranges of models to already adequately fill these areas. In addition the late entry into the mass producer market by Vauxhall with a new and smaller model, was more difficult to achieve in a mature market which many suspected had

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(1) 'How to Sell Automobiles' 'Fortune' magazine, February, 1939, reprinted in A.D.Chandler Giant Enterprise New York 1964.

(2) Ibid p.160.

(3) 'Grant the Great' G.M.News July, 1928. Vol.1 No.1.

(4) Sloan op.cit p.328

reached saturation by the late 1920s and the early 1930s. (1)

In contrast G.M. with its much earlier start in the U.S.A. had all the advantages of being in at the beginning of market developments.

The 'right model (s)' proved to be the Chevrolet truck and more specifically the Bedford light truck which found a previously untapped market among small retailers and businessmen, and it was in this market that G.M. marketing techniques proved to be so successful.

By the end of the 1920s British manufacturers had highly developed sales and distribution networks contained in a structure of distributors, agents and dealers both nationwide and abroad. For example Morris had 1,750 dealers in 1927, (2) whereas, G.M. had only about 120 dealers in 1930 (3) with about 300 to 400 dealers which sold G.M. and Vauxhall products though not exclusively. This marked difference in size of dealerships clearly indicates the significant lead that the large British manufacturers had in this area.

In 1929 G.M. reorganised its sales department at Hendon with A.F. Palmer-Phillips as Director of Sales, and under him were a staff of 11 sales managers and three teams of fieldmen numbering 22 employees, giving a total of 34 in this department. (4)

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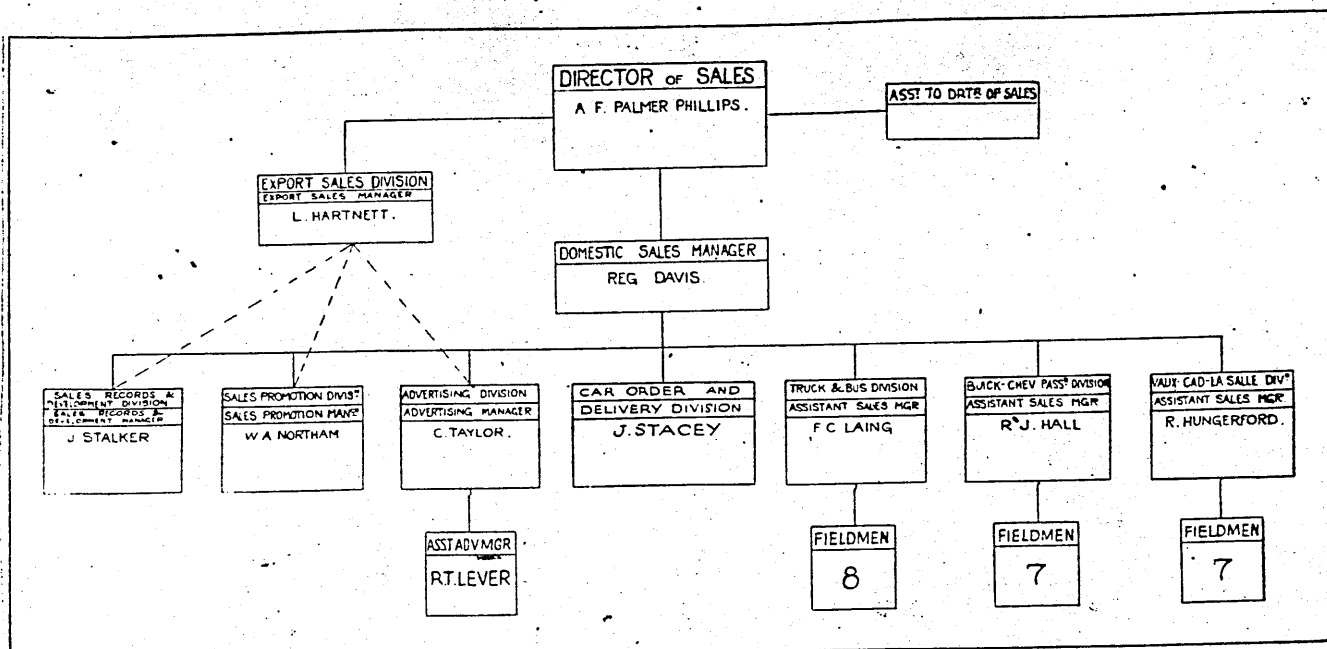
(1) R.Church op.cit. 'Marketing of Automobiles' p.66.

(2) Ibid p.70.

(3) G.M.News April, 1930. Vol II (2), No.10.

(4) 'The New Sales Set Up.' G.M.News, October, 1929 Vol.2, No.4.





(1)

A fieldman was 'the link between the motor manufacturer and motor dealer. He represents both parties, the manufacturer when he is with the dealer, and the dealer when he is with the manufacturer.' (2) His task was to explain the sales campaign, details of models, rebates, discounts and generally assist the dealer 'with all manner of sales weapons.' (3)

Grant, in his British talk, explained that the main problem of dealers was bad debts and 'this meant creating an accounting system from the evidence derived from thousands of dealers. There are 2,000 dealers (in the U.S.A.) conforming to the scheme with profit.' (4) He believed in good commission for salesmen. 'Don't starve a good man - I'm the protector of the under paid salesman.' (5)

(1) Chart reproduced from 'The New Sales Set Up' G.M.News Oct., 1929 .

(2) Ibid October, 1929

(3) Ibid October, 1929.

(4) G.M.News July, 1928

(5) Ibid July, 1928.

Other slogans of advice poured forth. 'You can't cheat and have good will.' (1) He recommended 'Two minute talks for salesmen', so the prospect (the potential car buyer) would be assured of at least two minutes sound product talk. Photographs, books and pamphlets he claimed as important to impress and convince the prospect. It was important to improve the salesman's small talk and initiate promotion schemes for high sales. Offers of prizes to top salesmen such as radios, cigarette lighters or fishing rods were recommended, as well as a 'Sales Speeder' - a fortnightly sheet of selling ideas. (2) None of these ideas were new and were practised by many British firms at the time. What was different was the collective intensity of this sales approach, and more importantly was backed by a thorough research of market intelligence. It was in this latter area that G.M. played its most influential role particularly in the sale of the light truck. From the early 1920s Sloan had been particularly interested in this side of the Corporation organisation. 'We began to make economic studies of the market and its potential in terms of population, income, past performance, business cycle and the like.' (3) Pinpointing markets and their potential was an important marketing innovation, and the use of combined and accurate statistics were invaluable. This expertise was transposed to the British experience by G.M. and in 1929 a thorough examination of the light truck potential market was undertaken. A statistics department was set up at Hendon to

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(1) G.M.News July, 1928

(2) Ibid July, 1928.

(3) A.P.Sloan My Years with General Motors (1965) p.284.

carry out this work. A series of statistics sheets were produced and continually up dated. A detailed example of one of these sheets was reproduced in a G.M.News article and related to the sales potential of light trucks to greengrocers, fishmongers and related traders.(1) On the reproduced sheet below, the black line indicates, that on average there are approximately 6 greengrocers for every 10,000 population throughout the country. Obviously some countries have more greengrocers than others, and the longer the line the more greengrocers there are to the population portion of 10,000. The black line opposite Britain represents that proportion of the total trucks bought by greengrocers throughout the country. For example, the black dotted line for Bedfordshire shows that Bedford bought more trucks than the rest of the country on average. The white dotted line indicates the proportion of greengrocers who bought G.M.trucks.

Similar charts were drawn up for other traders and small business categories. Then having identified the sales potential within each of these areas this was followed up by sending in fieldmen to help create a sales campaign with dealers and their salesmen. G.M. did stress that there must be as much decentralisation and delegation as possible. (2) In this way G.M. was not seen to totally control the operation, dealers and salesmen could use their own initiative, and valuable time could be saved by top management not doing lower level duties. A concept which Austin, Morris and particularly, Ford found

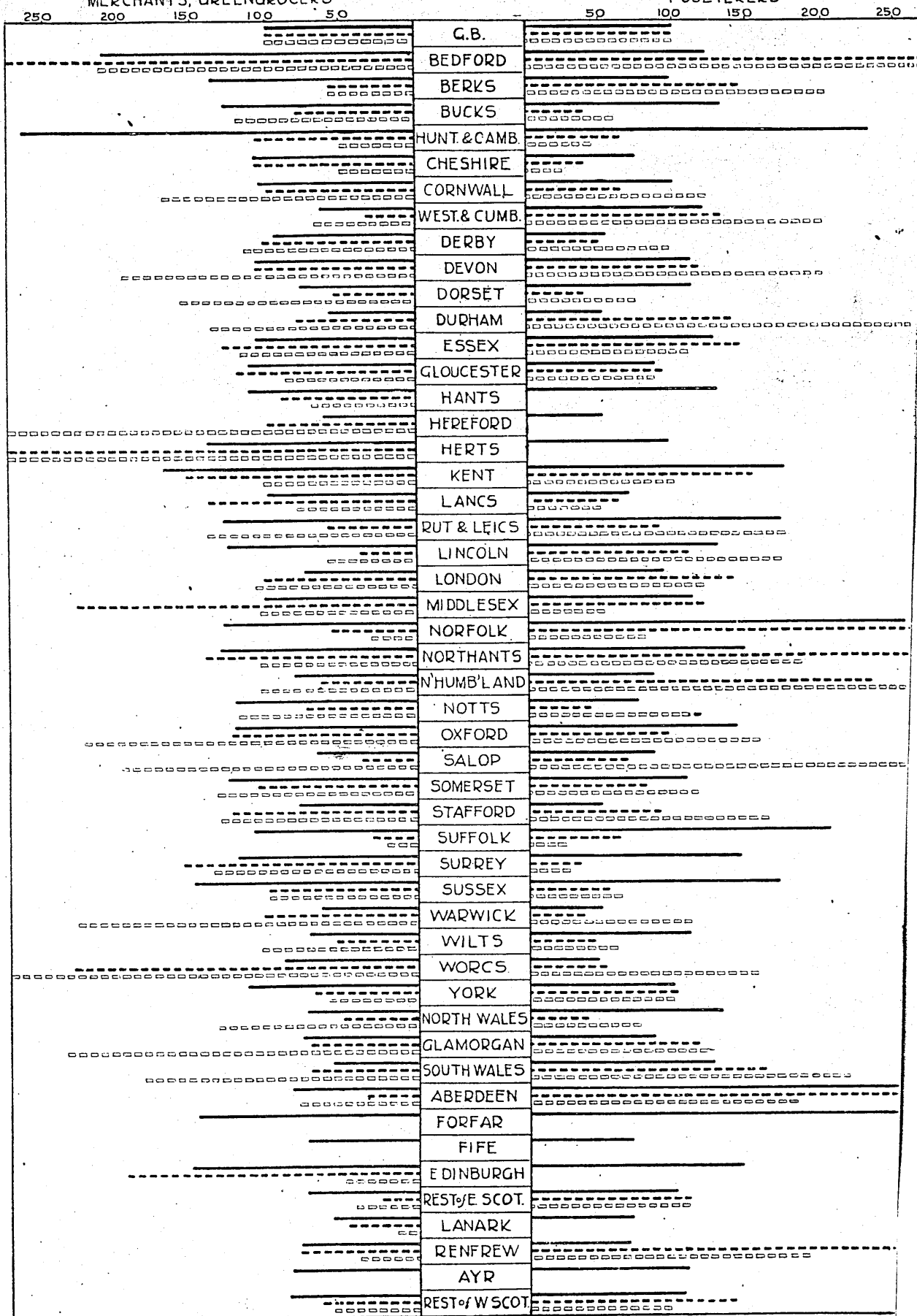
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(1) 'How Statistics are Developed at Hendon' G.M.News May, 1929. Vol.2 No.11.

(2) 'Decentralise and Delegate' G.M.News Oct., 1928. Vol.1 No.4.

MARKET GARDENERS, FRUIT & VEGETABLE  
MERCHANTS, GREENGROCERS

FISH MERCHANTS, FISHMONGERS  
POULTERERS



LEGEND ————— Ratio of Trade Group to Population  
 - - - - - Ratio of Sales to Trade Group to Total Sales  
 . . . . . Ratio of Sales to Trade Group to Total Trade Group

Analysis by  
G & H Ltd.

difficulty in coming to terms with.

The follow up campaigns were intensive and combined advertising; stunts for example driving a Bedford truck up the steps of Alexandra Palace, driving through and along streams, and negotiating hills with a 50% overload; shows and exhibitions in places with high sales potential and many other features.

Dealers and sales men were bombarded with suggestions to improve their image and hence their sales, which included:

'better letter paper with improved designs for headings; repainted fronts of a more dignified type; improved show room fitments; new methods of approach by means of more carefully conceived sales letters; better recording of prospect particulars by means of Kardex; more comprehensive stocking of parts to avoid delays; swifter service; closer acquaintance with newspaper editors and motoring correspondents to ensure easier and bigger flow of publicity; more carefully mapped out demonstration routes and the conversations to take place during trial runs; a greater use of advertisement columns by calling on our Advertising Department for stereos and special layouts; more conferences with salesmen to learn all the difficulties and overcome them; more frequent rearrangement of show room models and decorative materials; better lighting equipment. (1)

Other potential selling points were proposing the idea of using Bedford trucks as travelling shops with the traders name on the side with

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(1) 'Improvement in New Models! Why Not in Selling Methods'  
G.M.News October, 1929. Vol.2, No.4.

advertisements of the goods sold. A.F.Palmer-Phillips identified in Leicester alone a potential market of 359 grocers, 209 greengrocers, 190 butchers, 84 fishmongers and poulterers, 71 bakers, 44 chemists and 38 milkmen and dairymen, 995 potential buyers of travelling shops. (1)

Sales were also facilitated by the making available of deferred payments purchase schemes. G.M. had established the General Motors Acceptance Corporation for this purpose in the United States in 1919, and the first G.M.A.C. office was opened in England in 1920.(2) The practise was rapidly spread in Britain and Europe in the 1920s in the face of intensive price competition, and most large vehicle manufacturers had their own schemes in operation by the end of the decade. (3) By 1927 installment buying 'accounted for 60 per cent. of car sales in Britain, compared with 75 per cent. of all sales of motor vehicles.... in the United States in 1925' (4) This new form of purchasing had a considerable stigma attached to it in large sections of the public eye both in the United States and in Britain. This social prejudice was just as prevalent among the business community and it was the newer industries like automobiles which spearheaded its diffusion. In 1927 the fruits of research by Professor Edwin Seligman was published in his work entitled The Economics of Installment Selling. (5) The research and writing of this work

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- (1) 'Reminiscences of a Salesman' The Vauxhall-Bedford News March, 1935. Vol.7 No.9.
  - (2) F.G.Donner The World-wide Industrial Enterprise (New Yor, 1967) p.21.
  - (3) R.Church 'The Marketing of Automobiles' op.cit. p.67.
  - (4) Ibid, p.67.
  - (5) Mentioned in Sloan op.cit p.306.

had been sponsored by G.M. at the behest of Sloan and did much 'in bringing about an acceptance of installment selling among bankers, businessmen and the public.' (1) Social acceptance was longer delayed in the more conservative atmosphere of Britain and continual attempts were made to demonstrate the respectability of the 'never never' in Vauxhall-G.M. advertising. In 1929 G.M.News gave much play to the fact that 'two eminent financiers', Lord Beaverbrook and Philip Snowden, Chancellor of the Exchequer approved of hire purchase. (2)

The availability of deferred payments schemes played a considerable role in the sales of Vauxhall vehicles, one must surmise, particularly in the depressed years of 1930 to 1934 when sales expanded considerably for Vauxhall despite a national drop of nearly 7,000 in national C.V. figures from 1931 to 1932. (3)

Another pioneering feature of G.M. was the recognition of the value of the used car trade in its effects on new model sales. In 1925 the General Sales Committee of G.M. gave considerable attention to a policy of trade ins and used cars. Whereas Ford wanted his dealers to show a profit on such deals, G.M. was more concerned in preventing overstocking and hindering turnover of car sales. (4) Grant claimed that second hand car sales were,

'a blessing not a curse, but this depends on the ability of the second hand operator. The more second hand cars sold the more new cars sold, because people with last year's model want to get rid of it and buy this year's model. Second hand customers will move the market.' (5)

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- (1) Sloan op.cit.p.306.
  - (2) 'Two Eminent Financiers Approve of Hire Purchase' G.M.News Feb., 1929, Vol.1, No.8.
  - (3) See Table 14.
  - (4) Federal Trade Commission 'Report on the Motor Vehicle Industry' Washington, 1939. Extract in A.D.Chandler Giant Enterprise (New York 1964)pp.171.and 172.
  - (5) 'Grant the Great' G.M.News July, 1928.

The growth of the used car market was an indicator of the maturation of the vehicle market (1) and enabled a wider income range to become car owners while previous owners moved on to a higher class of vehicle or a newer model - a factor in helping to create the price/model competition characteristic of the British car industry after 1934. The organisation of this market was not without problems, both in the United States and in Britain, and 'until agents learned to gauge the probable selling values of used cars money was lost and capital locked up in second-hand cars for which no profitable outlet could be found due to the excessive allowance given to the original owner.' (2)

In order to help solve such problems G.M. decided on a supportive policy towards dealers, and in 1925 the General Sales Committee issued its recommendations.

'It was unanimously agreed that the future volume of sales on new cars would depend largely upon the efficient selling and servicing of used cars. It is, therefore, necessary for the manufacturers to take an interest in the sale of used cars.' (3)

Men were employed (by each car division) specialising in used cars to give dealers help and advice in selling their stock. Firstly, reconditioning and after sales service were to be offered. Secondly, special used car show rooms and advertising were to be organised; and

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(1) R.Church 'The Marketing of Automobiles op.cit. p.74

(2) Ibid p.74

(3) 'Minutes of the General Motors Sales Committee' Oct., 1925  
Reprinted in Chandler Giant Enterprise (New York, 1964) p.172.



thirdly, financial advice and stock taking was to be undertaken. (1) This last point was characteristic of the G.M. approach. Dealers were encouraged to report the types and number of used cars in stock regularly, and as often as once a day. The division would then give advice on prices, offers and trade-in discounts. If a profit could be made then the dealer would obviously be advantaged, but the G.M. used sales service allowed no profit and even a small loss on trade-ins because ultimately that customer would be a new model purchaser. (2)

Another idea to move second hand car sales was an 'Automatic Dutch Auction'. (3) By this method 'a prospective buyer having decided the price he is willing to pay for one of the cars will make a bid in writing and pay a deposit on that figure.' (4) If the selected car has not found a buyer on the previous day, the bidder gets the car, but if there has been a buyer, the bidder receives the return of his deposit. In this case the dealer will induce the buyer to transfer his bid to another car. The scheme was often labelled 'Buy at Your Own Price.' (5) According to Grant such selling techniques should be transferred to G.M. in Britain. (6)

The policy of the major motor manufacturers in the U.S.A. was to secure as many franchised dealers as possible which would be under their direct control. Ford's experience of attempting to do this in Britain was not successful (7) but G.M. starting from a lower base

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(1) 'Grant the Great' G.M.News July, 1928; Chandler op.cit p.172.

(2) 'Grant the Great' ibid

(3) 'Automatic Dutch Auction - a Good scheme for selling second-hand cars' G.M.News August, 1928, Vol.1, No.2.

(4) Ibid August, 1928.

(5) Ibid August, 1928.

(6) 'Grant the Great' op.cit. July, 1928.

(7) R.Church 'The Marketing of Automobiles' op.cit p.70.

was able to build up franchises gradually, no doubt profiting from Fords early 1920s British experience in which only 400 of its 1,200 dealers renewed their contracts, rather than become franchised.(1) Donner states that the G.M.O.O. policy was that,

'Wholesale distributors, who had handled the distribution of General Motors products to retail dealers, were replaced in the large markets by a growing number of directly franchised dealers who sold and serviced General Motor products. During this period General Motors also assumed the responsibility for financing 'inventories all the way to the point of delivery to the retail dealers.' (2)

Not only did G.M. franchise dealers have the full financial weight of the Corporation behind them but also the skills of the staff of the Motors Accounting Company set up in 1927 which 'Developed a standardised accounting system applicable to all dealers and sent a staff into the field to help install it and to establish an audit system.' (3)

Such procedures were transposed to the British market with modifications for local conditions and attitudes.

One British feature of marketing campaigns in the 1920s and 1930s was the economic nationalism engendered in the 'buy British' campaigns, launched by Morris and Austin and often with tacit approval from the motoring press. There is little evidence that these were successful,

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(1) Church 'The Marketing of Automobiles' op.cit.p.70

(2) Donner op.cit p.20.

(3) Sloan op.cit p.287

but one influence which they did have on Vauxhall was to eliminate any reference to General Motors in its publicity, and emphasise the 'all Britishness' of Vauxhall products produced by British workmen. It also caused Vauxhall to completely take over the Hendon premises from G.M. so that all marketing and sales were carried out under the Vauxhall name from 1932. By that time G.M. imports had been completely run down and a small G.M. office was opened in London completely separate from the Vauxhall organisation. (1)

The marketing strategies developed by G.M. were undoubtedly influential in up dating Vauxhall performance in this area. Charles Bartlett after returning from a trip to inspect the G.M. organisation in the United States commented, 'there may be much for all of us to learn of the new methods for discovering prospects. The forward planning methods of the States are generally more detailed and scientific than ours.' (2)

James D. Mooney felt that the American methods were more advanced than the British marketing techniques. He saw the British salesman's approach as much more individualistic than the American, 'and is superior in this respect'; whereas the American,

'as an individual is but a fair salesman. But he is an organiser, especially a sales organiser. He knows how to mass his forces,....

He defines the task to be done and then organises to it.' (3)

He finishes his article by stating 'that all that is needed is for the English businessman to study the organised sales effort of a few

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(1) The Vauxhall-Bedford News, May, 1932, Vol. 4, No. 11.

(2) 'Mr. Bartlett on his Return From America' G.M. News August 1929. Vol. 2, No. 2.

(3) James D. Mooney 'Selling Must be Organised.' G.M. News April, 1929 Vol. 1 No. 10.

successful American firms.' (1)

G.M. thus not only influenced Vauxhall but attitudes in the British motor vehicle market as a whole, and in 1931 Vauxhall proudly boasted

'We can say with pride, and without any tinge of annoyance, that our competitors are copying our sales promotion efforts. We know they take steps to obtain copies of this journal each month as soon as it is issued..... This should be an inspiration to all of us to keep ahead with ideas and activities.' (2)

Throughout the 1930s Vauxhall adopted the method of regular reporting of current stocks and sales by dealers in order to guide the factory in the scheduling of production to meet future dealer requirements. In 1947 the Vauxhall Motors Dealer Council was set up to provide regular programmes of dealer meetings with the top management of the company for an exchange of views on the business, policy and operations.(3)

### Export Strategies

The significance of exports in the development of Vauxhall Motors after 1930 cannot be over stressed. Up until that time Vauxhall had enjoyed some minor success in overseas sales on a limited scale before the 1st World War, but the 1920s was to see a considerable decline in terms of percentage of Vauxhall output - a reflection not only of its own internal financial difficulties, but also of the preoccupation of the British car industry as a whole with domestic sales, and intensive price competition.

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(1) G.M.News April, 1929

(2) 'Editorial' G.M.News September, 1931, Vol.4, No.3.

(3) Philip W. Copelin 'Development and Organisation of Vauxhall Motors Limited.' in (eds.) R.S.Edwards and H. Townsend Studies in Business Organisation London, 1961.

The early Vauxhall and West Hydraulic Company was well established in the field of exports for its marine engines and other manufactures found overseas outlets through the Board of Trade, the India Office and Crown Agents for the Colonies. In 1905 the Luton News stated, 'A large amount of their trade is export to the colonies and abroad.' (1) The first recorded overseas Vauxhall car sale was in 1904 to a client in New Zealand. (2) The Empire and dominion markets were to prove important not only to Vauxhall, but to the British vehicle industry as a whole: and it was the sporting successes in the colonial countries that gave added impetus to sales in these markets. Indeed, in 1913, Vauxhall produced two 'special Colonial' 20 h.p. models equipped with a two seater body and a goods platform at the back. In consideration of the rougher roads they had larger wheels and different gear ratios from the home products. (3) It would be interesting to know if Vauxhall made use of its contacts overseas in the marine engine market as channels for its car sales. This is not recorded. By 1912, however, Vauxhall did have 'in many parts of the world special agents ... not only in the British dominions, but in Russia, Sweden and other parts of Europe.' (4) It must be assumed that this overseas network did benefit from know-how and intelligence gained from Vauxhall's sister company, and despite the break in 1907 their locations were adjacent. Apart from the colonies, Vauxhall's next biggest overseas market was

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(1) Luton News 30th March, 1905, p.3.

(2) K.Ullyett The Vauxhall Companion (1971) p.22.

(3) K.Ullyett op.cit p.57.

(4) Luton News 14th November, 1912, p.7.

Russia. A foothold had been gained there due to successes in reliability trials alluded to in the section on marketing. Kidner, who had driven in the 1400 mile trial between St. Petersburg and Sebastopol, stated that the success in this race 'was calculated to leave its mark.' (1): an indication of the awareness of the Vauxhall management of these overseas successes in securing orders. The Russian orders which followed these triumphs led to the establishment of an agency combined with a workshop staffed by British engineers, and there was even a lavish catalogue in Russian.(2) Catalogues were also produced in Spanish, French and Swedish, (3) and a few cars were dispatched to South America. (4) Despite these diverse markets Vauxhall exports probably did not exceed 50 cars per annum before the First World War, although by 1912 they accounted for nearly 15 per cent. of Vauxhall sales, as the following table shows.

TABLE 21 Vauxhall Exports 1908-1912 (5).

<u>Year</u>	<u>Estimated Exports</u>	<u>Exports as % of Vauxhall Output</u>
1908	15	15.9
1909	25	12.8
1910	30	12.3
1911	35	13.2
1912	45	14.9

Throughout the war years the total output was taken by the War Department as staff cars, in which duties they proved themselves as

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- (1) Luton News 2nd November, 1911, p.7.  
 (2) K.Ullyett op.cit p.57  
 (3) Luton News 14th November, 1912, p.7.  
 (4) Luton News 27th October, 1910, p.6.  
 (5) Source: Vauxhall Facts and Figures op.cit.

sturdy and reliable vehicles on the diverse roads to be found in Arabia, Palestine, Egypt, Greece, Albania, East Africa and Flanders. The war experience had proved fruitful in extending Vauxhall's name both at home and abroad, and in 1919 the Board announced some bold overseas initiatives.

'The reputation of the Vauxhall car has been very greatly enhanced by its performance in war service, and the fact that it has proved so successful has become very widely known through the medium of officers and others, and has occasioned enquiries of a significant nature from both the United States and Canada, as well as from many other parts of the world.' (1)

The recently resigned L.H.Pomeroy was asked to make a report on the American and Canadian markets, as he was leaving to tour these countries. It can be assumed that one of the results of this investigation was the setting up of a Canadian branch in 1922. (2) + In addition Vauxhall stated in 1919 'there are large and very valuable markets abroad which were formerly chiefly served by the Germans, which with an energetic policy, we ought to be able to capture.' (3) Such was the optimism that Vauxhall even produced a film showing the making of Vauxhall cars,' and there is no doubt it will serve a very useful purpose in informing foreign customers of the fine modern conditions under which the cars are made.' (4) Such expectations were to prove groundless in the following decade,

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(1) Luton News 27th February, 1919 p.7.

(2) Report of 9th Ord.Gen.Meeting Times 13th April, 1923 p.21 col.1.

(3) Luton News 23rd January, 1919 p.4.

(4) Luton News 4th December, 1919, p.8.

+ In the 1924 Report to the Directors a South American Branch is also referred to, and is mentioned again in 1925 but not after that year. Presumably they both were absorbed into the G.M. overseas outlets network after the take-over of Vauxhall in 1925.

and with the exception of 1927 and 1928 when exports reached 590 and 853 respectively, Vauxhall's export record was poor to say the least, especially when seen in terms of percentage of Vauxhall output, as the following table indicates.

TABLE 22 Vauxhall Exports 1919-1930 (1)

<u>Year</u>	<u>Exports</u>	<u>Exports as % of Output</u>	<u>Exports as % of G.B.exports</u>
1919	25 *	4.4	-
1920	97 *	14.0	1.3
1921	52 *	10.8	1.7
1922	66 *	10.3	-
1923	108 *	7.3	2.1
1924	88	6.4	0.8
1925	95	6.8	0.3
1926	112	7.3	0.3
1927	590	35.8	1.7
1928	853	32.9	3.2
1929	156	12.2	0.4
1930	223	2.4	0.9

Apart from 1920, 1927 and 1928 the percentage of exports in relation to Vauxhall output never exceeded the peak pre-war figures and thus most of Vauxhall sales were very much in the domestic market.

There are a number of reasons for this declining trend in Vauxhall exports; the nature of the 1920's car market, the financial difficulties of Vauxhall and the nature of the Vauxhall product.

Up to 1924/5 the British car export performance was not good generally.

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(1) Sources: Vauxhall Facts and Figures op.cit.; calculations for last column based on table 4 in Maxcy and Silverston Appendix op.cit., and table 7 in R.J.Overy Appendix 1. op.cit.

\* Estimated figures - no records.



This can be explained by the importance of the domestic market which was being tapped, the effects of the 1921 slump on world markets, and the smaller size of British engine trend occasioned by taxation, which rendered them less competitive in overseas markets where engine size was not a factor so much in sales. Vauxhall was hit doubly by these home and overseas trends. Her models were too large and expensive for the home market and comparatively inefficient and costly in overseas markets. Vauxhall did not have the financial resources to develop a special overseas model and therefore had to rely on models for the home market for overseas sales. The '30/98' which had proved a good export model in the immediate years before and after the war was too exclusive for the home market and did not warrant large production, as it was difficult to sell in the price-falling 1920's home market, and it was discontinued in 1926 and replaced by smaller models more suitable for home markets but less suitable for overseas markets. Lawrence Hartnett clearly illustrates the problem of Vauxhall's overseas sales, in the late 1920s, when he stocked them at a G.M. sale outlet in Stockholm.

'The creators (of the Vauxhall 14/40) had not made a single concession to public demand for style in cars. They had produced a plain, functional machine, and if the public didn't like it they could lump it.' (1)

When Hartnett was put in charge of export sales at Luton in 1929

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(1) L.Hartnett Big Wheels and Little Wheels (1965) p.38

he reviewed the 14/40 once again.

'The Vauxhall 14/40, as a vehicle for sale overseas, was a hopeless proposition. A check of exports against actual sales showed that distributors in several parts of the world held large stock of them that wouldn't sell. They had poor reputations; the axles and other parts gave trouble and, of course, the Vauxhall was no beauty,' (1)

The steep rise in exports in 1927 and 1928 can only be attributable to the use which Vauxhall was making of the availability of the vast overseas G.M.outlets. The slump back to a figure of 156 in 1929 can be seen to reflect the inferiority of the Vauxhall product mentioned by Hartnett as G.M. agents failed to shift them.

The success in the export field in the 1930s is clearly attributable to a complete change of product which could utilise the enormous potential of the G.M. overseas sales network. That was, of course, the Bedford truck which was to deeply penetrate dominion and colonial markets.

On taking over Vauxhall, James D. Mooney had been perceptive enough to see the importance of the British Empire and having a British industrial base with which to feed it, in an address to the American Chamber of Commerce in London, he stated that 'the use of the motor car would have a remarkable growth in the British Empire, and during the next ten years the British Empire would move forward aggressively and rapidly in the development of its own economic coherence and strength. (hear,hear.)' (2)

(1) Hartnett op.cit p.38

(2) 'Address to American Chamber of Commerce in London' Luton News 19th November, 1925, p.15.

In 1928 Mooney was to reiterate this point when he presented his reasons for the retention and expansion of the Vauxhall Company. 'The fact that the British Empire covered 38 per cent. of the world markets outside the United States and Canada was important in the consideration of England as a source for export markets.' (1)

The decision to develop Vauxhall Motors was in effect a major decision in G.M. overseas strategy and only clearly was viewed as such in the light of the 1930's experience. In retrospect Sloan wrote in his memoirs, 'We were fortunate in acquiring Vauxhall Motors and Opel during the late twenties. For when the great world-wide depression began in 1929, our export business went into a sudden steep decline - as did that of other American producers.' (2)

The organisation of G.M. overseas sales had first been undertaken in 1911 with the formation of the General Motors Export Company. By 1920 G.M. overseas sales were 420,000 of which about half were sold in Britain, France, Germany and Italy. (3)

Whilst the rich European market was able to afford American cars, it had placed barriers against imports to protect their own vehicle industries. In Britain the McKenna Tariff, combined with engine tax and petrol tax made it increasingly difficult for G.M. to penetrate the market. This is clearly seen in the experience of the G.M. Hendon operation set up in 1919 which soon changed from importing vehicles complete, to importing C.K.Ds for assembly with the body work made

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(1) A. Sloan My Years with General Motors (London, 1965) p.322.

(2) Ibid p.328

(3) Ibid p.315

locally. The full effects of the growing trend toward economic nationalism became more apparent in the latter half of the 1920s. In the first half of the decade British car manufacturers were preoccupied <sup>with</sup> recovering from the war, shaking off the effects of the 1921 depression and satisfying their home demands but by 1929 British exports were over 5 times greater than the 1920 figure. (1)

It was not by accident that G.M. took over Vauxhall in 1925. Mooney could see that if G.M. was to retain an interest in the valuable European market it must establish more than an export/assembly operation. The brief reduction of the McKenna Tariffs in 1924 had inflamed British car manufacturers, including Vauxhall, and demands were loudly and stridently made for protection to return, and the campaign which was carried out to re-establish this added fuel to the flames of economic nationalism. Mooney also plainly saw that the major British overseas markets were in the British Empire, and thus by having a manufacturing base in Britain, G.M. could not only penetrate the British market more effectively but increase its overseas sales at the same time by exporting a British made G.M. product. This was not fully appreciated by all G.M. executives in the boom conditions of the 1920s particularly when G.M. exports reached an all time peak of 290,000 vehicles in 1928.(2) This was nearly six times the exports of the whole of the British

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(1) Maxcy and Silberston op.cit Table 4, U.K.Exports p.226.

(2) Sloan op.cit p.315.

vehicle industry and 340 times the overseas sales of Vauxhall, which also reached its export 1920's peak in that year. (1)

There is little wonder that Mooney's ideas concerning Vauxhall met with considerable opposition within G.M. The experience of the depression after 1929 rapidly dispelled all opposition. American sales fell more dramatically than the British sales, and the pattern was repeated in the export field. By 1932 G.M. exports were at a nadir of 40,000 equivalent to the combined British export figure. (2) More importantly the intervening years had witnessed a growing dollar gap market in the world including a widening division between the pound and the dollar, which prevented purchase of the now relatively expensive American vehicles. The footholds in Britain and Germany enabled G.M. to stay in the valuable European market and 'the poor relation,' Vauxhall, gave an important opening in the British Empire market. So valuable to British exports was the British Empire that it has been calculated that between 1928 and 1939 the Empire absorbed 81 per cent. of British overseas sales. (3) It was in this area that Vauxhall was to prove so invaluable to G.M. in the 1930s. After the disappointing performance of the 'Cadet' the manufacture of the Bedford truck, on the advice of British management, proved to be 'a world beater.' (4) Its overseas sales, together with Vauxhall cars, accounted for nearly 40 per cent. of Vauxhall output

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- (1) Calculated from Sloan and Maxcy and Silberston and 'Vauxhall Facts and Figures'. op.cit.
- (2) Sloan op.cit p.328; Maxcy and Silberston op.cit table 4, p.226.
- (3) M.Miller and R.Church 'Motor Manufacturing' in (Eds.) Buxton and Aldcroft British Industry Between the Wars London, 1979.p.196.
- (4) Bartlett quote in Luton News 30th March, 1933 p.11.

in 1932 and averaged about one third of Vauxhall sales throughout the rest of the decade, as is indicated below.

TABLE 23 Vauxhall Vehicle Exports 1930-1950 (1)

<u>Year</u>	<u>V.M.Exports</u> <u>C.V.s + cars</u>	<u>G.B.Exports</u> <u>C.V.s + cars</u>	<u>V.M.Exports</u> <u>as % of V.M.</u> <u>output</u>	<u>V.M.Exports as</u> <u>% of G.B.exp.</u>
1930	223	30,000	2.4	0.7
1931	1657	24,000	10.9	6.9
1932	6309	40,000	37.3	15.7
1933	8479	51,000	30.6	16.6
1934	14263	58,000	35.2	24.5
1935	15314	68,000	31.4	22.5
1936	14636	83,000	28.8	17.6
1937	20768	99,000	34.7	20.9
1938	20271	84,000	33.7	24.1
1946	22867	133,000	42.6	17.1
1947	28690	193,000	46.6	14.8
1948	52840	302,000	70.8	17.4
1949	57831	351,000	68.7	16.4
1950	61471	545,000	78.9	11.2

More striking was the fact that Vauxhall exports accounted for nearly a quarter of British exports in 1934 and 1938, and averaged about 20 per cent. for the decade as a whole after 1931. From 1933 Vauxhall and Opel sales were greater than the sales abroad of American made G.M. vehicles, and in 1937 G.M. exported 180,000 vehicles from the U.S.A. and Canada, while 188,000 vehicles were manufactured by G.M. overseas operations. (2)

This was true vindication of Mooney's policies.

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(1) Sources: 'Vauxhall Facts and Figures' op.cit. Unfortunately c.v.sales are not separated from car sales. Maxcy and Silberston op.cit. Table 4, p.226.

(2) Sloan op.cit p.328.

The Vauxhall commercial vehicle export performance was even more impressive if placed in the context of only those of British commercial vehicles. Much of the credit for enhanced British exports rests with cars rather than commercial vehicles, and by comparison commercial vehicle exports accounted for less than a quarter of total British vehicle exports in 1930, and averaged about one fifth of total vehicle exports for the rest of the decade. (1) Although separate Vauxhall export figures for cars and commercial vehicles are not available, the fact that Bedford trucks continually outsold Vauxhall cars throughout the 1930s, with the exception of the years 1935 and 1938, (2) and as much as 50 per cent of all Bedfords produced were for export, (3) indicates the importance of the light truck to the firm in overall sales and hence in exports. Although there had been steady growth in British commercial vehicle export performance in the 1930s, it could only be described as of 'minor importance in the industry and the economy.' (4) In fact Commercial Motor was a consistent critic of the relatively poor export performance of British commercial vehicles compared with the United States. In a lengthy article in 1931 the journal blamed the British emphasis on production of heavy vehicles, that of 5 tons and above, whereas the demand was for sturdy light trucks which could stand up to considerable over-loading, and could negotiate the rough roads usually found in colonial countries. The American 30 cwt truck

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(1) G.Maxcy and A.Silberston The Motor Industry (1959) calculated from Table 4, p.226.

(2) See Table 9, p.58.

(3) Hartnett op.cit p.42.

(4) Church and Miller 'The Motor Industry' op.cit p.209.

was cited as a prime product for such markets. (1) British models were criticised for lack of easy maintenance, and sales techniques and after sales service were noted as being particularly poor compared to that of the Americans, and spare parts were quoted as being expensive and relatively difficult to obtain. British manufacturers were also criticised over their pricing methods. The export price was fixed in Britain without due regard to extra costs such as tariff charges, freight costs and selling expenses and 'the final price was left to the discretion of the overseas agent who adds as much as he can.' (2)

Finally, Commercial Motor took to task the inept and inadequate advertising which was seen as 'neither interesting nor effective' largely because London agents did not know the markets. (3)

Not surprisingly British commercial vehicle exports remained relatively low. For example exports to India totalled 398 in 1930, whilst the U.S.A. exported 12,000 commercial vehicles in that year. (4) While U.S. sales slumped to 1,800 in 1933, British exports managed to increase only to 528 in the same period even with the aid of a preferential import tariff. (5) Even in a prime market such as New Zealand, British manufacturers of commercial vehicles were slow to seize opportunities, and although British cars accounted for 90 per cent of imports, commercial vehicles were considerably less and were dominated by Ford U.S. made trucks in 1932. (6)

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(1) Commercial Motor 10th February, 1931, p.912.

(2) Commercial Motor 10th February, 1931 p.912.

(3) Ibid p.912.

(4) Commercial Motor 16th December 1932 p.602.

(5) Commercial Motor 15th June 1934 p.586.

(6) Commercial Motor 16th Dec., 1932 p.603.



Although Britain managed to increase its percentage in many overseas markets it was more due to U.S. decline as a result of the depression than an overall British export performance, and it was not until the middle of the decade that commercial vehicle exports began to make creditable progress rising from 5,000 units in 1931 to 18,000 by 1936. (1)

Much of the American advantage had been in its manufacturer's ability to make mass produced vehicles, which were cheap, easily maintained, with large engines for small trucks. British producers came to follow these trends by the mid 1930s but more due to domestic pressure of taxation and weight legislation rather than the need to respond to export markets.

A considerable part of the Vauxhall success lay in attempts to meet this potential market by the export of the 30 cwt and 2 ton truck. The 30 cwt was a direct descendant of the Chevrolet 30 cwt vehicle which had already proved itself in these markets. The Bedford, with all the resources and sales expertise of the world wide General Motors Corporation had a ready made organisation to channel its overseas sales, which did not suffer the defects of its British rivals so vividly outlined by the Commercial Motor. As we have seen in the section on marketing much of these sales and after service techniques were taken on board by the Vauxhall organisation, and run by Englishmen like Charles Bartlett, Laurence Hartnett and A.F. Palmer-Phillips,

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(1) Maxcy and Silberston op.cit Table 4, p.226.

trained by the General Motors organisation when it was an autonomous company in Britain, and naturally they transferred their knowledge and skills to the Vauxhall context.

The importance of exports to Vauxhall is also reflected in the importance of car exports to British car manufacturing as a whole in the 1930s. Between 1931 and 1933 exports absorbed one third of British production and therefore had a crucial role to play in the up turn following the slump. (1)

Again in 1937 and 1938 exports were to prove important in cushioning the British motor industry against a slump which hit it far more severely than the 1931 experience. (2) Whereas the home market shrank by 6% in 1931, in 1938 this decrease was 10%. In the export field however, the overseas sales fell by 44% in 1929-31 and only 13% in 1937-38. (3) The Vauxhall experience conforms to this interpretation as table 23 indicates, although the fall in Vauxhall exports was not as great in percentage terms, as the fall in exports nationally from 1937 to 1938. Vauxhall also had the additional cushion of the 'Ten' model which boosted their car sales considerably. An impressive feature of Vauxhall's exports was the sharp rise in figures. A rise of 743% between 1930 and 1931, which was quite sensational and followed by a 380% rise in the following year. These initial rises can be sensationalised when a low base figure of 1930

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- (1) This case is put forward by M. Miller and R. Church in 'Motor Manufacturing' in (eds.) N.K. Buxton and D.A. Aldcroft British Industry Between the Wars (1979, 1982 paperbacked) p.186.
- (2) Ibid p.187.
- (3) Ibid. p.187.

is used but the annual rises remained impressive from one year to another:- 34% 1932-3, 68% 1933-4, and 42% for 1936-7. There were small drops of 4.5% and 2.4% in 1935-6 and 1937-8 respectively, but the trend was one of rapid expansion of exports. Naturally Vauxhall gave ample publicity in these annual reports as impressive testimony of their growth.

The British Dominions provided the main markets and in 1932 the Board stated that their main markets were to be found in Australia, New Zealand, South Africa, India, China, Japan, Norway, Denmark, Sweden, Belgium, Holland, Spain and Portugal. Next came the smaller and less wealthy Empire countries such as the West Indies, Malaya, Malta and Cyprus. (1)

Lawrence Hartnett, who had been elevated to Director of Vauxhall overseas sales, in 1929, embarked on a tour of the main potential markets of the world in that year, including most of the Empire and Dominion countries. 'The technical data which I gathered, with two thousand feet of movie film dealing with road conditions and technical points, did contribute to the final specification details of the Bedford trucks and later Vauxhall cars.' (2)

On his return to England Hartnett set about organising his department.

'As production increased so did the work of the export department. Soon I had a dozen or more on my staff, and with these few working to a pattern I had evolved, we got Bedford trucks flowing out to General Motors assembly plants in Africa, Europe, Australia - all over the world. In some parts we still retained our own direct distributors.' (3)

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(1) Report of 18th Ord Gen.Meeting Times 13th April, 1932 p.21.

(2) Hartnett op.cit p.41.

(3) Ibid p.42.

As early as 1925 Vauxhall had realised the full potential of the large overseas outlets which G.M. had built up in the 1920s, including assembly plants and agents and dealers. These now came into full use for Vauxhall along with the sales techniques adapted to the indigenous conditions. (1)

A thorough study of new markets was made including costs imposed by local tariffs, landing charges and local taxation. In this Vauxhall made full use of the Board of Trade knowledge and expertise on overseas markets. Little was left to chance and such practical concerns as the size of boxes to export C.K.Ds were examined so that size and shape could be reduced and designed to facilitate more economical shipping costs. The smallest details were taken into account before proceeding with a market offensive in each country. (2)

By 1932 so great was the overseas demand for Vauxhall products that £20,000 was spent on a new boxing plant for the sole purpose of putting cars and trucks into cases and sending them abroad. (3)

As high as 50 per cent. of the factory output of Bedfords was allocated for export, and emphasis was given to the 'easy' markets of Australia and New Zealand before the company turned its attention to Europe. (4)

A continual 'pleasant' complaint in the annual reports between 1932 and 1936 was the difficulty in fulfilling orders despite working the plant to capacity. The result was continual extensions taking place in this

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- (1) Acknowledgment of the importance which Vauxhall accredited to G. M. overseas outlets was recorded in 1927. 'Particularly important are the market facilities made available overseas. In every land where motor cars were used General Motors have a selling organisation that is going to be used to sell British cars.' Luton News 'Yesterday's Declaration of Policy - Vauxhall Motors.' 15th September 1927. p.9.
- (2) Hartnett op.cit pp 46 & 47.
- (3) G.M.News February 1932 Vol.4, No.8.
- (4) Hartnett op.cit p.42.

period, culminating in the reorganisation in 1937/8 for the 'Ten' production.

The 1930's picture was not a totally rosy one and when exports declined slightly in 1936 Leslie Walton blamed rising costs which make export vehicle prices less competitive particularly when preferential duties operated in some overseas markets. (1) High priced materials, particularly steel were blamed. In addition Charles Bartlett, the Managing Director, expressed considerable concern at the growing international tension which he felt could seriously affect overseas trade, 'and a large portion of our business is now export business.' (2)

These fears were, of course, justified with the outbreak of war in 1939; and very soon after, exports became negligible as the works was turned over to war time production. A larger range of trucks was produced including a much bigger vehicle than had hitherto been produced. Over a quarter of a million trucks were produced for war service together with 5,640 Churchill tanks. (3)

After the war exports assumed an even greater significance in Vauxhall production, engendered by Labour Government policy which emphasised overseas trade in its attempts to rebuild war torn Britain and achieve a trade equilibrium. By 1948 Vauxhall vehicle production was largely devoted to overseas trade, and exports accounted for 70% of sales in that year and nearly 80% in 1950. But despite the export

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- (1) Report of 23rd Ord. Gen.Meeting Luton News 1st April, 1937, p.3.
  - (2) 'Vauxhall Plans for 1936' Luton News 2nd January, 1936, p.11.
  - (3) A History of Vauxhall Vauxhall Motors, Luton 1980 p.48.

of over half a million vehicles in 1950 Vauxhall's percentage of British total exports fell to just over 11%. (see table 23) A reflection of the export orientation of the vehicle market as a whole in this period.

Vauxhall's sales of nearly a quarter of British exports in 1938 was never to be achieved again but was a true indicator of the prodigious rise of Vauxhall to the 'Big Six' status; and this success undoubtedly rested chiefly on its exports of commercial vehicles in Empire and Dominion markets.

## CHAPTER FIVE      Management and Labour Relations to 1929.

### Introduction

In Chapters 5 and 6 an examination will be made of Vauxhall's labour relations policies. The period 1905 to 1950 has a natural division in 1929 when Charles Bartlett took the post of managing director.

The earliest period was one in which Vauxhall was growing and before the First World War industrial relations were generally amicable.

The firm was small and the close relationship between management, who were working engineers themselves, and the workforce was conducive to an atmosphere of co-operation. This was further stimulated by expectations of greater success.

The First World War gave the first indications of stress in management-labour relations. The loss of skilled men to the armed forces, the replacement by dilutees and women, and the enlargement of the workforce contrasted strongly with the relatively stable pre-war workforce. Vauxhall along with other engineering firms, both nationally and locally, was forced to give concessions in the form of higher wages, lowering hours of work and the granting of premium bonus. It was willing to concede these demands in return for high productivity and profitability.

By the end of 1920 the economic climate was changing radically as the economy slid into depression which had heavy repercussions in the motor industry. Vauxhall began to make enormous losses and retrenchment was seen as the only solution. This meant cutting labour costs and increasing productivity which could only result in confrontation with the union and a return to complete managerial control in the work place. The form of managerial control will be discussed in relation to arguments propounded by Wayne Lewchuk.

### Pre-War Developments

The basis of industrial relations at Vauxhall is rooted in the development of Luton itself, which is discussed in detail in part two. Luton's population had grown from 2,986 in 1821 (1) to 36,404 by the end of the century. (2) The chief occupation had been hat-making, which was based partly on the domestic system, and partly on small workshops in the centre of Luton and employed predominantly female labour. (3) The nature of the main Luton industry was a crucial factor in explaining the relative docility of the workforce in terms of union organisation. It was never an organised industry as far as trade unions were concerned, due mainly to the small size of units, the casual nature of the work, in terms of irregular hours, and the seasonal unemployment which affected the industry in the Summer months, and more particularly in the period from November to January.

Equally important was the relatively isolated nature of Luton itself; 30 miles outside of the London metropolis, and 70 miles from the large engineering centres of Birmingham and Coventry. Not surprisingly such unionism that did exist was small and mainly confined to skilled workers. (4) This is confirmed by the Luton Chamber of Commerce which in its attempts to attract new industries to the town mentioned that 'few firms have cognisance of unionism so that it might be possible if deemed desirable, to aim in any new works at freedom

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- (1) Census of Population 1821. Quoted in J.Dyer and J.Dony The Story of Luton, (Luton 1964; 3rd Edit.1975) P.XIV
  - (2) Census of Population 1901. Ibid PXIV
  - (3) The major work on the Luton hat-trade J.G.Dony A History of the Straw Hat Trade (Luton 1942).
  - (4) John Chamberlain 'The Development of the Trade Union Movement and Labour Movement in Luton from 1904 till the General Strike 1926' (Unpublished paper. Luton 1972).



from this influence.' (1)

In fact the major engineering union, the Amalgamated Society of Engineers had only 19 members in Luton in January, 1900, (2) and the membership was only 37 by June 1904. (3) A branch of the Amalgamated Society of Joiners and Carpenters was set up in the 1890s by a journeyman carpenter. In his biography he records,

'Although so near to London, trade wages were only sixpence an hour, as compared with nine pence in London, and though we worked from six in the morning to six in the evening, and to four on Saturdays, the total wages were less than 30 shillings a week.' (4)

Having organised a branch successful agitation followed to gain an extra  $\frac{1}{2}$  pence an hour. Millott-Severn was however, 'marked as a disturbing influence' (5) and so he moved on to London. When the Luton Trades Council was formed in January, 1904 the Joiners and Carpenters are not mentioned, perhaps indicating the short life of the Luton branch. (6)

The major unions which formed the first trades council were: the A.S.E., the Steam Engine Makers Society, the United Builders Labour Union, the Amalgamated Society of Railway Servants, the Central Moulders Union, the Toolmakers Society, the Scientific Instrument Makers and the Workers Union. (7) In 1906 the trades council had

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- (1) Thomas Keens 'Luton as an Industrial Centre' Engineering 13th April, 1900, p.10.
  - (2) Amalgamated Society of Engineers Monthly Journal, January, 1900.
  - (3) Amalgamated Society of Engineers Monthly Journal, June, 1904.
  - (4) J. Millott-Severn The Life Story of a Phrenologist (Brighton, 1929) p.86.
  - (5) J. Millott-Severn op.cit p.86
  - (6) Chamberlain op.cit p.4. N.B. This paper is relatively short and no footnotes are given but the impression is that the author relied heavily on the 'Luton News' and Trades Council Records.
  - (7) Ibid p.4.

II unions affiliated which Chamberlain calculates as representing approximately 500 workers. (1) Of a total workforce in Luton of 29,100 in 1901 this represents about 1.7% unionised workers, and of a total workforce of 39,000 in 1911 represents 1.2% unionised workers. (2) Assuming that most of the unionists were men this accounts for 4% of the male workforce in 1901, and 2.7% of the total male work force in 1911, and indicates the small degree of unionisation. The first recorded dispute in Luton after 1900 involved the recently moved Vauxhall Iron Works in May 1905, although the main concern seems to have centred on the West Hydraulic sister company. (3) It involved the A.S.E. and Steam Engine Makers Society who objected to Vauxhall and West Hydraulic Company paying only 1.1/8 for night shift work. The unions made the case that time and a quarter was normally paid for the night shift; and Mr. Barnes, the A.S.E. spokesman, (4) stated that when West Hydraulic had moved from Bradford they had 'somewhat altered the conditions.' Barnes also stated that the company had introduced a longer working night shift and had not consulted the workforce, some of whom had come from Bradford, about the new conditions. The dispute involved 2 to 300 men but given the A.S.E. Luton returns most must have been either in the Steam Makers or in no union at all. (5)

The employer's case rested on the fact that the foreman, who was also an A.S.E. member, had proposed the 1.1/8 night shift rate, but the unions stated that this was done only after the workers realised that

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(1) Chamberlain op.cit p.5.

(2) Census of Population 1901, 1911.

(3) Micro-film Reference N (2) 7. EEF Archives.

(4) The case sent to Central Conference at York in Sept.1905. Barnes went on to become General Secretary of the Union and a Labour Minister, in later years. See J.B.Jeffreys, The Story of the Engineers. (London,1945)..

(5) 'Vauxhall Facts and Figures' op.cit estimate that less than 200 men worked for Vauxhall at this time. In addition the E.E.F. claim that West Hydraulic only employed 30 men in Bradford. The only explanation is that the West Hydraulic side of the business must have taken on a lot more workers.

the company was not going to pay any extra for a 13 hour night shift. The dispute throws interesting light on local conditions as the employers strongly state that another firm in the district paid no extra for night shift work. This other firm was Hayward-Tyler, an engineering firm and Federation member (the only other Federation employee in Luton) who backed Vauxhall and West Hydraulic at the national and local conferences, by stating that they paid no extra at all for night shift work. The unions claimed that Hayward-Tyler did not work night shifts and had only done so once after a fire in the 1890s when the men worked throughout the night at no extra pay in order to help the works become operable as quickly as possible. (1) No agreement was reached, but the employers stated that union members did not have to work night shifts, and as there was no agreed district rate the situation would remain the same. This dispute would seem to suggest that the West Hydraulic Company had found the lack of unionism in Luton a strong incentive to move there as the District rate was claimed by Barnes to be  $1\frac{1}{4}$  in Bradford. (2) The relative weakness of organised labour and its lack of militancy in Luton is shown by the fact that there were only two strikes in the town before the 1st World War, during a period of great industrial unrest in many parts of the country. One involved the Diamond Foundry in 1910 and the other was part of a national dispute involving

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(1) Letter issued by Hayward-Tyler dated 26th October, 1905 to reconstituted local conference after failure of Central Conference. E.E.F. archives, N(2)7.

(2) Ibid E.E.F. File N(2)7.

the National Amalgamated Society of Operative House and Ship Painters and Decorators. (1) Equally on the employers side only four firms had become affiliated to the Engineering Employers Federation - Hayward-Tyler in 1903, West Hydraulic in Bradford in 1899, Commer Cars in 1911 and Clarks Machine Tool Company in 1914.(2) When Vauxhall separated itself from the marine side of the business in 1907 to concentrate on car production it too joined the E.E.F. in April, 1907. (3) According to its application form its estimated wages bill was £10,000 and its work force consisted of smiths, machine fitters, tool makers, painters, trimmers and labourers. There were no agreements with trade unions and no disputes pending. The number of hours worked per week was 54, which was the district rate, and overtime was  $1\frac{1}{4}$  for the first two hours and  $1\frac{1}{2}$  after this up to 6 a.m.(4) This last point indicates that Vauxhall was paying the night shift rate above that originally demanded by the men in the 1905 dispute. This may have part explanation in the fact that Mr. Ashe the works manager of the West Hydraulic - Vauxhall company did not join the Vauxhall motor company formed in 1907. The new works manager was A.H.Hancock.

Little is known of Vauxhall managerial policies in these years before the First World War. It was a comparatively small firm employing approximately 180 work<sup>ers</sup> in 1905, rising to 575 in 1913.(5) It had

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- (1) Chamberlain op.cit pp 5 & 6.
  - (2) E.E.F.Membership Files for Hayward-Tyler, West Hydraulic, Commer Cars and Clarks Machine Tools.
  - (3) Vauxhall Membership Application Form, Membership Files. E.E.F.Achives.
  - (4) Ibid
  - (5) 'Vauxhall Facts and Figures' op.cit.

two foremen in 1905 (1) and if the same proportion of men to foremen were applied to <sup>the</sup> 1913 workforce there would be about 7 foremen. (2)

It is a pity that such information is not available as current arguments concerning managerial control hinge upon such data.

In all probability little consideration was given to questions of overall strategy in terms of management in this period as the firm was small, allowing a much closer personal relationship between management and men; the firm was gradually expanding and was meeting international and national success and building a reputation in the car world.

The first mention of a managerial strategy appears in an article by L.H.Pomeroy in 1914. (3) His address concerns car production in general but he is clearly using his Vauxhall experience as a solid example. In that year Vauxhall had reorganised and registered the reconstituted company 'Vauxhall (1914) Ltd,' after having gone into the hands of the receiver. Its profitability had been in question and the Pomeroy article in many respects represented his thoughts on how to create greater efficiency in the workforce by increasing productivity. This he saw being done mainly by more efficient organisation of production and improvements in machine technology. E.W.Hancock described his apprentice experience in 1911 at Vauxhall in his reminiscences published in 1960 (4) At this time car production at Vauxhall was reliant upon skilled workers to a great degree.

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(1) Luton News 30th March, 1905, p.3.

(2) This is pure speculation. On the 1905 figures it works out at one foreman for every 90 workers. Of course, other departments had been added and the number of foremen could have been much higher.

(3) 'Automobile Engineering and the War' L.H.Pomeroy. Proceedings of the Institute of Automobile Engineers Vol. IX, 1914.

(4) E.W.Hancock 'A Lifetime in Automobile Production' Automobile Engineer June, 1960. Vol.50, No.6.

'From the beginning to the end - that is from the fitter to the final tester - there was a gradual increase in the application of individual skills....' (1)

Hancock states that the breaking down of skills had already begun to change job titles and descriptions.

'This change started before 1914, when the marker off had moved back into the tool-room,....by this time, the advent of planning engineers and the issue of process operation sheets led to the establishment of a logical sequence of operations, although for some years the operation sheets were used only as a general guide.' (2)

Pomeroy saw the drawing office as the nerve centre of operations.

'If the ... functions of the drawing office be given full scope the duties of the works officials become purely executive, as they should be, and they can give their undivided attention to the business of production. These steps are all necessary if we are to maintain maximum output for man and machine.' (3)

Pomeroy also felt that the 'old style of foreman and mechanic was rapidly disappearing and work was being done by men not so intimately in touch with the practical difficulties.' (4)

This process was hastened by the war and the introduction of dilutees, which became an important subject in disputes between unions and management and indeed between skilled and unskilled unions themselves.

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(1) Hancock op.cit

(2) Ibid

(3) Pomeroy op.cit

(4) Ibid

Definitions of skilled jobs became increasingly difficult and job demarcation disputes were often used by both management and unions for their own advantage.

Unionism in Luton had steadily increased by 1914 and in that year the A.S.E. membership numbered just over 200, (1) and an estimate of all skilled engineering workers in unions would be approximately 600. (2) The war years enhanced this trend and in 1916 two Luton A.S.E. branches had been established and the membership was over 500 by February, 1917. (3) The war also increased the importance of the engineering industry in the town as the war effort required vehicles and munitions. Vauxhall itself had its total car production taken by the Army, and it had gained war contracts for the manufacture of munitions. It is not surprising therefore, that Luton began to join the main stream of unionism and echo the growing militancy in these years. The engineering employers members also responded by establishing a Luton Association in 1916 with L.H.Pomeroy as its secretary and Chairman. (4) It consisted of only 5 firms: Vauxhall, Commer Cars, Hayward-Tyler, Clark Machine Tool and Skefko Ball Bearing Company, a Swedish owned company which joined in 1915. (5) Government involvement was reluctantly agreed to on both sides of industry in the first year of the war and this process increased as the war continued. Patriotic duty was becoming increasingly outweighed by growing industrial tension by 1917. In essence it was a four way

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- (1) A.S.E.Monthly Journals for 1914. Peak was reached in October of 208.
- (2) On amalgamation of most engineering unions in 1920 the Amalgamated Engineering Union Monthly Journal shows an increase of three times the A.S.E.figure.
- (3) A.S.E.Monthly Journal January, 1916 and February, 1917. This would give a figure of 1500 for all engineering unions based on 1920 calculations, and a figure of between 4 and 5,000 for trade unions as a whole in Luton based upon 1906 trades council figures. This may of course, be an overestimation considering the growing importance of the engineering trade in the 1st World War.
- (4) Minute Book 1916-1918 Luton Engineering Employers Association. Mid Anglia E.E.F.Archives.

conflict between employers, union officials, the union rank and file and the government. Employers resented the emasculation of their managerial rights; union officials the putting into abeyance of hard fought agreements shelved for the duration; and the rank and file felt an increasing sense of exploitation as inflation increased. The government's primary concern was to win the war and that meant increased military production, and it would use the full strength of the Defence of the Realm Act and the Munitions Act to do this. (1)

The shortage of labour, particularly skilled labour, which became acute in the later war years, hit Vauxhall almost immediately as 'about 150 men ... joined the colours and consequently the rate of production was seriously affected.' (2) The lack of skilled workers became a constant complaint. In 1918 Vauxhall calculated that in June 1914 it had about 400 men in the machine shop of whom 308 were skilled and 92 unskilled i.e. 23% unskilled. By 1917 the machine shop number was reduced to 330 men and women, of which 120 were skilled and 210 unskilled i.e. 64% unskilled. In 1918, 125 more hands were employed which made a total dilution of the workforce in the machine shop 73% unskilled. (3)

Serious disputes began to emerge in Luton in 1916 when a spontaneous strike by women workers at the Chaul End munitions factory took place in May. (4) The women were mainly non-unionised and although

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(1) See Chapter VIII in J.B.Jeffreys The Story of the Engineers (1945) and Chapter 5 in Eric Wigham The Power to Manage: A History of the Engineering Employers Federation. (1973)

(2) Report of the 1st Ord.Gen.Meeting Times 9th April, 1915 p.6.col.4.

(3) Report of the 4th Ord.Gen.Meeting Times 20th April, 1918 p.11.col.2.

(4) Chamberlain op.cit p.11.



presenting no coherent demands the strike stemmed from poor working conditions and low pay; the highest rate being about 18/10d for a 54 hour week. The management response was to lock out the workers and bring the 17 'ringleaders' before an industrial tribunal at Westminster, for contravening government regulations about war work. The Tribunal Judge while recognising that the women's strike was illegal, strongly criticised the management and only fined the girls one shilling instead of a possible £5 a day he was capable of imposing.(1)

In February 1917 a dispute arose at Vauxhall involving some dilutee workers who were not being paid the same rates as skilled and semi-skilled men who were doing the same jobs. (2) The National Federation of Women Workers were using Vauxhall as a test case because all the women were in the union and the men supported their demand for equal pay, and they wanted to see that the Treasury Agreement between the A.S.E. and other unions was carried out. Vauxhall refused the application on the grounds that the women's representative Miss Sloan, 'be more specific in her definition of skilled jobs'.(3) In a confidential letter to the E.E.F. H.Q. in London Pomeroy wrote,

'The point at issue is that we have been employing fully rated men on capstan lathes, milling machines and grinding machines, largely due to local trade union influence. At the same time

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(1) Chamberlain op.cit p.11.

(2) E.E.F.Archives Document D(8)2.

(3) Local Conference Report 6th June 1917. D(8)2. E.E.F.Archives.

we believe that this class of work has been done very largely by semi-skilled and under-rated men in the Coventry and Birmingham Districts.' (1)

The union stated that they rested their case 'on Luton, Vauxhall Motors being typical of the district.' (2) No agreement was reached at the local conference and the matter was to be looked into by a tribunal of the Board of Trade. The outcome seems to have been favourable to the women for it is recorded in the Luton Association minutes 1918 that anomalies had arisen regarding women's wages at Vauxhall 'arising from the rates granted last year, being so much higher than those at which women can be properly started at this date.' (3)

The first big industrial dispute to affect the town was the engineers strike of May, 1917, which was part of a nation wide campaign by the unofficial Joint Engineering Shop Stewards Committee, and centred around the dilution of labour and the withdrawal of the 'trade card.' (4) On withdrawal of the trade card, at the discretion of the management, men could be drafted into the armed forces. There was a strong feeling that this was used by employers, often with official union collusion, to get rid of 'troublemakers,' and in areas like Sheffield skilled men were conscripted while dilutees remained exempt. (5) The Luton strikers numbering over a thousand held a

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- (1) Letter from L.H.Pomeroy to E.E.F. H.Q. 7th February, 1917 D(8)2 E.E.F.Archives.
  - (2) Reported in Luton Association Minutes for 6th June 1917. Special Meeting. E.E.F.Archives.
  - (3) Luton Association Minutes 6th June, 1918. Mid Anglian E.E.F.Archives.
  - (4) Luton News 17th May, 1917 p.6, col.3.
  - (5) Jeffreys op.cit pp.181, 182. The national strike was precipitated at Rochdale when the government decision to extend dilution to private work was applied in a provocative way 'by putting women on grinding machines to grind cotton spindles and dismissed the men who refused to instruct them.' On 3rd May the Rochdale engineers went on strike in protest followed by large sympathetic strikes in many engineering centres including Luton.

meeting in the football ground on 14th May. Attempts by the mayor and union officials to get the men to return to work failed.(1) The following day another mass meeting was held and the men voted by 787 to 150 to stay out. At national level after fierce criticism by the press, official union opposition and even the arrest of eight shop steward movement leaders by the government - matters came to a head. The government now fully aware of the strength of feeling, promised no victimisation and the release of their leaders if they would return to work. (2) In Luton the men agreed to do this unanimously at a meeting on the 20th May. (3) The strike would appear to have been a failure, but in the long term it shook the government sufficiently to drop the extension of dilution to private (non-war) work in the Munitions Bill of August, 1917 and the leaving certificates, 'perhaps the most hated section of the 1915 Act', was withdrawn in October leaving the men free to change their employment at will. (4) The abolition of leaving certificates immediately gave concern to the Luton Engineering Employers Association because non federated firms began to attract away skilled labour with higher wage rates. In October, the Association minutes record that Kents, a Luton non-federated engineering firm, was attracting away Vauxhall workers. (5) The Association approached Kents to not pay higher than the district rate but with little success with the result that wage demands by workers became more strident with threats of moving to more amenable firms if their wishes were not granted.

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(1) Luton News 17th May, 1917, p.6, col.3.

(2) Jefferys op.cit p.184

(3) Luton News 24th May, 1917 p.6, col.2.

(4) Jefferys Ibid p.184.

(5) Luton Association Minutes 4th October, 1917. Mid Anglian E.E.F.Archives.

Pomeroy stated that in the Vauxhall tool room, men were applying for increases 'and after discussion it was agreed that this should be met by the introduction of a Premium Bonus system in the tool room into which the 1 $\frac{1}{4}$ d per hour bonus now paid should merge.' (1) The basic week was also reduced from 54 to 50 hours with one instead of a two break system. The Premium Bonus system which was a form of payment by results was heavily influenced by American practices and generally introduced by E.E.F. federated firms from the turn of the century. It had many variations, of which the best known were the Rowan and Halsey systems, but all were based on establishing a fixed time for a worker, or group of workers, to do a job.

'However long he took, he would get the time rate for the hours worked, but if he did the job in less than the fixed time, the saving would be divided between the worker and the employer.' (2)

The Vauxhall management was never happy with this system and in the mid 1920s they devised a peculiar system of bonus payment of their own having by then left the E.E.F.

The problems of shortage of skilled labour, dilutees and the advancement of machine technology continued to affect the engineering industry and also Vauxhall in the immediate post-war years. The boom was to last until late 1920 and in this optimistic atmosphere of expansion Vauxhall wished to remain on good terms with its workforce as much as possible without sacrificing too much in terms of

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(1) Luton Association Minutes 18th October, 1917. Mid-Anglian E.E.F. Archives.

(2) Eric Wigham The Power to Manage: A History of the Engineering Employers Federation. (London 1973.) p.72.

managerial control, high wages and shorter hours. In addition union strength was in the ascendancy and by October, 1920 the recently formed Amalgamated Engineering Union gave a total Luton membership of over 2,000. (1) This was approximately a 25% increase on the 1917 figure at a conservative estimate.

In July, 1919 Luton Town Hall was burnt down by outraged ex-soldiers, denied the opportunity to celebrate the Victory of war at Wardown Park by the town council. (2) This was not a direct result of socialist revolutionary militancy or union agitation but was reflective of the militant atmosphere which engendered 'Red Clydeside' and the general unrest of the period. (3) However, such an event was unlikely to take place at any other time than 1919 in Luton's history, and was uncharacteristic of a town far less militant than other industrial strong holds.

Nevertheless, for Luton employers these were worrying times. The Trades Council claimed over 7,000 members (4) and in January 1918 the largest strike in Luton had taken place over the role of the Local Food Committee, which many workers felt had been unfair in its allocations. (5) The food committee gave way almost immediately and allowed three labour representatives to become members in order to appease the protesting workers. (6)

Appeasement became the main policy of the Luton firms including

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- (1) Amalgamated Engineering Union Monthly Journal October, 1920 exact figure was 2072. The peak reached was 2111 in January, 1921.
  - (2) Luton News 24th July, 1919 p.3.
  - (3) One school text book, W. Robson 20th Century Britain (Oxford, 1973) p.103 gives the impression that the Luton incident was part of the demobilisation mutinies which occurred in that year. There is not a shred of evidence to support this view as is shown in the detailed account of events in J.G. Dony 'The 1919 Peace Riots in Luton' The Publications of the Bedfordshire Historical Records Society Vol. 57, 1978.
  - (4) Luton News 31st January 1918 p.5.
  - (5) Ibid 31st January, 1918 p.5.
  - (6) Ibid p.5 and Chamberlain op.cit p.15.

Vauxhall in dealing with the continuing demands by the workforce, both by national and local union bodies. Attempts were made to counteract union pressure by uniting the Bedford Engineering Employers Association with the Luton Association in May 1919.(1) The Bedford association had seven member firms which tended to be smaller than those of Luton. Luton had five members and managed to persuade Kents Limited which was one of the largest firms in Luton at this time to join in January 1920.(2) The formation of the Bedfordshire Engineering Employers Association had little immediate impact in attempting to improve the bargaining position of the employers. Luton was sufficiently different in character as a district from Bedford to create difficulties in co-ordination of policies, and attempts to establish a district rate for skilled and other workers proved impossible 'owing to the variations in rates of different firms.'(3) In eagerness to attract workers, fulfill orders and expand capacity any attempts at agreements between local firms were undermined by enticement away of labour by higher rates of pay and the offer of better conditions and hours. By the end of 1918 for example Vauxhall had agreed to a basic 47 hour week which was part of the national agreement, between the engineering unions and the Employers Federation. In July, 1919 Vauxhall was forced to reduce the night shift to 47 hours 'as some firms in Luton already worked a 47 hour per week night shift.'(4)

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- (1) Bedfordshire Engineering Employers Association Minute Book 1919-1921. Inaugural Meeting 15th May, 1919. 96, Midland Road, Bedford. Mid Anglian E.E.F. Archives.
  - (2) Luton Engineering Employers Association Minute Book 1918-1920, 18th January, 1920. Luton Association kept their own minutes until June 1920. Mid Anglian E.E.F. Archives.
  - (3) Luton Engineering Employers Association Minute Book, 4th December, 1919. Mid Anglian E.E.F. Archives.
  - (4) Ibid 8th July, 1919.

In early 1920 Hancock complained that trimmers at Vauxhall were being enticed away by Hewitt and Blondeau, a Luton aircraft firm 'by offering rates higher than the District rates i.e. 1/- per hour.' (1) Vauxhall's were therefore, forced to raise their own trimmers rates in order to retain them.

The anxiety of Vauxhall to avoid disputes is clearly illustrated by two cases, one of which reached the central conference at York. One of these disputes predictably, involved the machine rating question, which the skilled unions regarded as fundamental in maintaining differentials in pay and status which they correctly saw as having been eroded in the war years of acute labour shortage. The first case reached central conference on the 15th October, 1919 and was brought forward by the Workers Union. (2) This involved a dilutee who had joined Vauxhall in 1915 and eventually became a full setter. The A.S.E. objected to this at the end of the war and the man was put on semi-skilled work and his rate was reduced from 11d to 8d per hour. The Worker's union claimed that A.S.E. members did exactly the same work as their member and were paid considerably more - as much as 1s 3d per hour. Vauxhall management immediately tried to wash its hands of the whole affair claiming that it was really a dispute between the Workers Union and the A.S.E. A satisfactory solution was arrived at after a local conference held in November, 1919 (3) It was decided that the man in question

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(1) Luton Engineering Employers Association Minute Book 4th March, 1920.

(2) 'Manning of Machines and Removal of Men.' Minutes of Central Conference held at York 15th October, 1919. Micro film reference M(9)45. E.E.F.Archives.

(3) 'Manning of Machines and Removal of Men.' Minutes of Local Conference held at Midland Road, Bedford 18th November, 1919. Micro film reference M(9)45. E.E.F.Archives.

should 'remain off the machine until given sufficient training.' (1)  
In no way did it affect the Workers Union designation of skilled work.

The second involved the question of overtime which the engineering unions had banned until the settlement of the 44 hour week demand by the unions at national level. In May 1920 the Vauxhall workforce wanted to hold a mass meeting on the question of overtime at 4 p.m. on the Vauxhall premises. The management refused and so the workers decided to hold the meeting in spite of this refusal. Faced with this intransigence the management decided to accede and agreed 'for the time being not to work overtime, save on breakdowns etc - as agreed by the unions.' (2)

In the latter part of 1920 the passive nature of Vauxhall management towards the unions began to change. This was mainly caused by the difficulties which the firm began to experience from this time, and exacerbated at the end of the year by the slide into depression by the economy as a whole. In essence their resentment of union militancy was not substantially different from most employers of the time, and the Engineering Employers Association nationally, led by the formidable Sir Allan Smith who viewed with alarm and distaste the union militancy and erosion of managerial control in the war years and its immediate aftermath. The main difference was the over-reaction by Vauxhall management to events and more importantly,

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(1) Local Conference 19th November, 1919. Micro film ref M(9)45. E.E.F.Archives.

(2) Bedfordshire Engineering Employers Association Minute Book 1919-1921, 6th May, 1920. Mid-Anglian E.E.F.Archives.



the short-sighted break with the E.E.F. in 1921 because the Vauxhall management felt it had not had the back up it deserved in some of its disputes. Attempts were made as early as 1919 to root out 'trouble makers' at Vauxhall. A letter in the local press from 'a humble workman' accuses the Vauxhall management of hypocrisy in that the firm claimed it could take on 200 skilled men but in that very same week a number of 'old skilled hands' were discharged. (1)

The origins of Vauxhall disillusionment with the E.E.F. concerned a dispute which began in September 1920 and involved payment of an operation known as crank grinding. (2) The A.E.U. claimed that Vauxhall had paid 1d in excess of the district rate,' but recently they had altered that practice by starting a man on the bare district rate on night shift.' (3) This was, the union claimed, contrary to the Shop Stewards agreement and also to the Wages Temporary Regulation Act. After being referred back from central conference at York, another local conference decided that 'the claim of the union be conceded on the condition that the agreement refers solely to Messrs Vauxhall Limited.' (4)

Hancock was furious with the decision and vociferously explained that the reason for Vauxhall's action was 'a period of acute crisis' and there was urgent need for Vauxhall to reduce costs. He

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- (1) Luton News Letter entitled 'From War to Peace' 30th January, 1919, p.6.
  - (2) 'Machine Rating Question'. Minutes of Local Conference Held at Midland Road, Bedford 17th September, 1920. Micro film ref. M(14)k0. E.E.F. Archives.
  - (3) Ibid. Local Conference 17th September, 1920. M(14)10.
  - (4) Bedfordshire Engineering Employers Association Minute Book 1919-1921. 6th January, 1921. Mid Anglian E.E.F. Archives.

further stated that Vauxhall would not put the local conference decision into operation but after a long discussion he withdrew his remarks. (1)

Further evidence of the hardening of attitudes is clearly shown in two disputes which took place in the last quarter of 1920 while the Crank Grinding dispute was pending. The first involved the sacking by Vauxhall of eight men in November, 1920 following which the employees' union threatened action. Vauxhall was accused of being anti-union and had victimised these men because of their union activities. (2) The sacking of the men was not so much the cause of the dispute but the employment of 'men outside the district.' (3) At a works conference the management were persuaded to reinstate the men.

A week later 150 men were discharged, the reason given was lack of work. This was approximately 15 per cent of the total workforce. The Unions stated that at least 40 per cent of the work force could be made redundant according to their information from the management. (4)

The Luton News reported that:

'The men cannot reconcile these dismissals with the position only a week before when it contended the firm were seeking men from outside the district. Many of the dismissed men, it is stated, are shop stewards.' (5)

The Luton News not a noted pro union newspaper, evidenced by its

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- (1) Op.cit 6th January, 1921.
  - (2) Luton News 'Another Vauxhall Grievance' 25th November, 1920 p.6.
  - (3) Ibid 25th November, 1920.
  - (4) Ibid 25th November, 1920.
  - (5) Ibid 25th November, 1920.

printing of 'black leg' editions of the Daily Mail during the General strike, questioned Vauxhall's harsh attitude in its redundancy policy. It suggested to the Vauxhall management the policy pursued by Commer Cars during the coal strike of putting men on short time rather than carrying out wholesale sackings.(1) The management's reply was that they were not anti-union and indeed 99% of their works was unionised. (2) However, it was to become increasingly clear that the management's intention was to break the presence of the union within the firm.

In December the blacksmiths strikers asked for an increase in their hourly rate but Hancock bluntly refused although there was no objection to an increase by the National Federation.(3) In the same month the Workers union enquired of the local association as to the rates for a man working on a Gridley capstan lathe. Vauxhall management claimed that the setting up of such a machine was a semi-skilled job, despite the claims by the union that another Luton firm (un-named) paid the skilled rate.(4) This was another example of Vauxhall management's efforts to reduce costs.

In the new year the management offensive against the unions began in earnest. The onset of the depression and the failure to sell enough models put the company under increasing financial pressure. Hancock only saw that the immediate solution was to reduce the workforce and in uncompromising language he announced to the local association that

(1) Luton News 25th November, 1920, p.6.

(2) Ibid p.6.

(3) Bedfordshire Engineering Employers Association Minute Book 1919-1921. 18th December, 1920. Mid-Anglian E.E.F.Archives.

(4) Ibid.

Vauxhall management was to lay off between 500 and 600 workers and was to suspend premium bonus and reduce lieu rates of payments.(1) This dictatorial approach led to protests from the A.E.U. district secretary, Mr. Mullins, that the management was in breach of the York Memorandum of 1914 and the Shops Stewards and Works Committee agreement of 20th May, 1919. (2) A local conference was convened on the 28th February, but as no agreement was reached the dispute was taken to central conference in April. (3) The employers federation both nationally and locally loyally backed Vauxhall at these conferences in front of the unions and a failure to agree was recorded in both cases. Privately, however, there were strong reservations by the national and local associations as to how the Vauxhall management had handled the situation. In a confidential letter from Mr. Brown, the national secretary, to Mr. Allen the local secretary, it is stated that,

'employers are entitled to stop a system of payments by results without consulting the work people ..... I feel it extremely desirable that the work people should be taken into the confidence of the firm and the whole of the circumstances of the case explained to them.' (4)

At the same central conference the A.E.U. had brought another complaint against the Vauxhall management in that men were being induced to leave the union particularly on being offered promotion

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- (1) Beds E.E.A. Minute Book 1919-1921 6th January, 1921 Mid-Anglian E.E.F. Archives.
- (2) The York Memorandum was a national agreement between the Federation and the engineering union agreed in 1914 but shelved for the duration of the war. The Vauxhall Agreement of 1919 obviously applied to practice within the firm but there are no records available concerning its details. See Wigham op.cit p.85 for details of the York Memorandum.
- (3) 'Suspension of Premium Bonus System: Affects on Earnings' Local Conference held at Midland Road, Bedford 28th February 1921. National Conference at York 8th April, 1921. Micro film reference W(3)48. E.E.F. Archives.
- (4) Letter from Mr. Brown E.E.F. to Mr. Allen, Beds E.E.A. 6th March, 1921. Micro film reference W(3)48. E.E.F. Archives.

to the level of foreman.(1) The union claimed it was clearly in contravention of the Shop Steward's Agreement of 1919 which had been drawn up with the firm. Once again the E.E.F. and the Local Association gave full backing to the Vauxhall position and 'it was agreed that the question be allowed to drop.' (2)

Despite the loyalty which the E.E.F. and the Local Association had shown to Vauxhall, Percy Kidner wrote a letter of resignation from the organisation in July, 1921.(3) Although the Local Association had been aware of the growing dissatisfaction of Vauxhall with the employer's association it was still a great shock to the local committee, who consequently begged Vauxhall to reconsider their decision. Vauxhall board regretted that they could not. This was indeed the climax of the discontented rumblings which had been felt since early 1920. Kidner, on behalf of the board, gives as its main reason for withdrawal because,

'we feel that we cannot administer agreements such as the 'shop stewards' entered into between the Employers' Federation and the various trade unions, and therefore we feel that during the continuance of such agreements our only course is resignation from the Federation.' (4)

This entrenched anti-union position of the Vauxhall board contrasted starkly even with the E.E.F., not known at this time for its soft

- (1) E.E.F.Archives 'Vauxhall Inducing Men to Leave Trade Unions' Central Conference 8th April, 1921. Micro film reference W(3)48.
- (2) Ibid Central conference 8th April, 1921 W(3)48.
- (3) Letter from Percy Kidner, Vauxhall Motors Limited to J.Brown E.E.F.Secretary. 15th July, 1921 Vauxhall Membership File, Broadway House E.E.F.Archives.
- (4) Letter from Kidner to Brown 15th July, 1921 Vauxhall Membership File, E.E.F.Archives.

approach to the unions. This was a time of growing unemployment which began to undermine the union position and as early as February, 1921 the local association were talking in terms of a lock out over the question of the unions ban on overtime. (1) This was the beginnings of the employer's offensive against the unions which was to lead to the Engineering lock out in 1922. Vauxhall had clearly jumped the gun driven to do this by its enormous losses.

The Vauxhall managerial offensive continued throughout the rest of 1921 with vociferous, but ineffective protests by the unions.

In October the A.E.U. presented a number of complaints to the Luton Employment Committee concerning Vauxhall. (2) They accused the firm of importing labour from outside the district while there were men available through unemployment, in the district for such work. The reason why Vauxhall refused to take on the local men was because they were unionists the A.E.U. claimed. It was suggested that the Employment Committee were helping Vauxhall procure these outside workmen. This was denied by the committee but were concerned enough to ask Vauxhall to give an account of these accusations. The union also accused Vauxhall of working excessive overtime while high unemployment prevailed.

In the following week the Vauxhall management replied to these accusations through the columns of the Luton News and the lengthy article gives some interesting, if not unexpected, insights into the managerial

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- (1) Bedfordshire Employers' Association Minute Book 1919-1921  
24th February, 1921.
  - (2) Beds and Herts Saturday Telegraph 1st October, 1921 p.6.  
'Engineer's Complaints'.

motivations of the firm.(1) It claimed that due to the failure to sell its product in adequate numbers it had to reduce the price of its cars and this meant a drastic reduction in cost. This was rationalised by closing the works for a six week period earlier in the year and completely reviewing its manufacturing processes to achieve this end. Jobs were regraded and times made more 'realistic'. 'The result showed that our labour costs could be reduced by one third and our output increased by approximately one third.'(2) In this way the price of Vauxhall cars could be reduced. It was obvious that Vauxhall could not carry out this process in the ruthlessly effective way it wished if it was hampered by agreements between the E.E.F. and the unions, which thus led to its resignation from that body. Though this last point is not stated in the article it is the logical concomitant for such a decision. In addition the close down could be used not to re-employ union agitators - a charge often levelled against the firm by the engineering union which saw this as gross victimisation.

Regarding the point concerning importation of labour, the firm said that this had been overly exaggerated by the unions and that only 2 per cent of the work force or 25 men were engaged from outside the district on jobs which local workers may have applied for in skilled areas of work. The unions put the figure at over 100, and that men were refused employment if they refused to undertake to do overtime.(3)

This was union policy at this time. Hancock, as spokesman for the

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(1) 'Vauxhall Motor's Reply' Luton News 6th October, 1921, p.7.

(2) Ibid 6th October, 1921, p.7.

(3) Luton News 6th October, 1921 p.7.

firm, replied that they had the right to draw on labour from throughout the whole world if they so wished. (1) He did not deny that they refused to employ men who did not wish to do overtime. Little favourable for the union emerged from this public exchange with the exception that the Employment Committee agreed not to help procure outside workers for local firms if workers were available in the district. Of course, Vauxhall's merely undertook to do this work itself by placing its own advertisements in other areas, a point clearly stated by the unions at the original hearing with the Employment committee. (2)

It is clear that by the end of 1921 union activity within Vauxhall had been considerably subdued and the management felt that it was once again in control of its affairs.

The Luton Branches of the A.E.U. which now numbered ten still remained active in the district although by June 1921 its membership had fallen from a peak 2111 in December, 1920, (3) to 1759. (4) This downward trend was to continued. hastened by the 1922 engineering employers lock-out, until an inter-war nadir of 338 was reached in June 1927, as the following table indicates:

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- (1) Luton News 6th October, 1921, p.7.
  - (2) Beds and Herts Saturday Telegraph 1st October, 1921 p.6.
  - (3) The Amalgamated Engineering Union Monthly Journal membership figures for Luton District No.10 division December, 1920.
  - (4) The A.E.U. Monthly Journal membership figures Luton district No.10 division, June, 1921.



TABLE 2<sup>4</sup> A.E.U. Membership Figures for Luton 1920-1934. (3)

<u>Year</u>	<u>Total membership</u>	<u>Number of branches</u>
1920	1895	10
1920	2111	10
1921	1759	10
1922	1166	8
1923	760	7
1923	491	4
1924	526	4
1925	426	4
1926	426	3
1927	338	3
1928	391	3
1929	403	3
1930	428	3
1931	409	3
1932	386	3
1933	402	3
1934	591	3
1934	788	3

This downward trend in the A.E.U. membership was also heavily influenced by rising unemployment which peaked in April 1921 and remained above one thousand until 1924 and rose once more with the onset of the great Depression of the early 1930s.

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(1) Source: A.E.U. Monthly Journals 1920 June 1921, and A.E.U. Quarterly Reports 1921-1934.

TABLE 25 Unemployment in Luton 1920-1934. (1)

<u>Year</u>	<u>Month</u>	<u>Number unemployed</u>	<u>Percentage unemployed of insured Luton workforce</u>
1920	Jan.	880	3.8
1920	Oct.	740	3.0
1921	Jan.	3,210	14.0
1921	April	4,140	18.0
1921	Oct.	3,730	16.0
1922	April	2,960	12.8
1923	Sept.	1,908	N/A
1924	April	993	N/A
1925	April	560	N/A
1925	May	362	N/A
1926	March	339	N/A
1926	Dec.	1,046	N/A
1927	April	724	N/A
1928	April	420	N/A
1929	May	515	N/A
1930	Aug.	1,392	N/A
1931	Aug.	2,509	N/A
1932	Nov.	3,765	11.4
1933	Jan.	3,717	11.0
1933	Aug.	1,320	3.7
1933	Sept.	976	2.7
1934	Jan.	2,276	6.8
1934	May	462	1.3
1934	Dec.	2,739	7.7

- (1) Source: Periodic reports from the Luton Employment Office printed in the Luton News. Unemployment figures for Luton alone were not published in the Labour Gazette until after the 2nd World War. The Ministry of Employment office could not or would not furnish the figures for the interwar years. This source therefore had to be used and gives a fairly accurate picture of unemployment as measured by Government departments at the time. The 1920's figures are fairly uniform and are straight reports of the Luton employment office figures. However, in the 1930s the editor wished to show how comparatively low the Luton unemployment figures were in comparison to the rest of the country, and showed the percentage unemployment figure on what was known to be a more accurate figure than that used by the Luton Employment Office. Thus the figure is lower than the official figures although loses the element of comparison with the rest of the country as these percentages were also calculated on the old figures.

In 1921 and 1922 the main issue concerning local labour was the high unemployment which was more severe in these years for Luton than it was to be in the depression of the 1930s, clearly indicated in table 25. The resentment against Vauxhall smouldered into 1922 and in March a demonstration took place outside the works by unemployed men protesting against the firm continuing to work overtime while men in the district were out of work. (1) However, for the remainder of 1922 the engineering industry became consumed by the struggle involved in the lock-out, a campaign with which Vauxhall was not directly involved but had the effect of further reducing A.E.U. membership in the firm. The lock-out was particularly effective in Luton and Federated firms reported little more than verbal protests from the unions and the conditions laid down by the employers were reluctantly accepted. (2) By 1923 the engineering unions' strength had effectively ebbed and membership was only one third of the early 1922 figure by the end of that year. (3) Throughout the 1920s, however, Vauxhall's reputation as an employer in the locality was not high. Instant dismissal, lay-offs with little or no notice and virulent anti-trade unionism are criticisms levelled against the management in this period.

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Footnote (1) page 161 continued.

It must also be noted that sharp variations within one year, as for example 1933, are partially explained by the seasonal nature of the Luton hat trade. In the 1920s the hat trade was hit less severely than the engineering trade particularly at the beginning of the decade but the 1930's Luton experience was the reverse with the hat trade beginning a sharp decline which emphasised its seasonal nature more accurately than in previous decades. The engineering industry fared much better in the 1930's depression than that of the early 1920s. This is clearly shown by the actual lower peak of unemployment in the 1930s and more clearly by the much lower percentage unemployment for Luton as a whole.

- (1) 'Overtime: Unemployed Demonstration at Vauxhall Works' Luton News 30th March, 1922 p.7.
- (2) Beds. Engineering Employers Association Minute Book 1921-1923. 14th March, 1922.
- (3) Source: A.E.U. Quarterly Reports figures as quoted in Table 22, p.160.

'It was hell in those days. I've seen men sacked for washing their hands as the hooter blew. I came in 1929 and it was just a good old sweat shop in those days - they'd sack you just like that.' (1)

Harold Horne, a long serving Vauxhall employee and A.E.U. shop steward, recalls,

'The stories that are told by early Vauxhall employees..... it was said that to hold a trade union card, to have it known meant instant dismissal. It was impossible to declare your union membership, and like most firms at the time, in slacker periods you were laid off. Stories are told of how, at any time of the day they'd come to the end of a run. There was a shortage of material or whatever. The foreman would come round with a board saying 3 o'clock. That meant at 3 o'clock everybody clocked out and went home.' (2)

Peter Vigor another long serving Vauxhall employee and one time editor of the 'Vauxhall Mirror' confirms a similar picture of uncertainty of employment,

'My father started at Vauxhall Motors in 1916 he went into the machine maintenance division. In 1922 he became a foreman, but when work slackened at Vauxhall - it was boom-slump, boom and slump, he was demoted to a super grade..... but he wanted to be foreman and get back on the 'staff'. (This meant greater security and no 'layoffs' in slack periods.) My father started me at

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(1) Quoted from Graham Turner The Car Makers (1963 Penguin edition 1964) p.123.

(2) Interview with Harold Horne (taped July 1978)

Vauxhall as an office boy in 1927. His idea was that I should stay on at Vauxhall until I was 16 to get an apprenticeship.

'Then he said there was no future in the industry. "First of all I'm foreman. Then down graded. Then made up again."

So he took me away.' (1)

### Vauxhall and the Movement Towards Direct Control.

A recent piece of research on Vauxhall managerial policy in the period previously reviewed attempts to demonstrate that 'Vauxhall showed a greater tendency than most British firms to move in the direction of direct control and Fordism.' (2) It is the intention of this section to examine the validity of this viewpoint.

The starting point must be an explanation of what is meant by Direct Control, Fordism and related managerial strategies. It has been argued that the antagonistic relationship between labour and capital forced capital (management) to adopt new production methods to increase its control over the intensity of work. (3) Braverman emphasises the importance of the use of machine technology. By introducing new machinery management can build a control function into the machinery which enables direct control over the workforce. (4) The move towards a theory of scientific management evolved by F.W.Taylor and his disciples, who developed methods of timing operations, was part of this attempt to refine direct control strategies. Such strategies

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(1) Interview with Peter Vigor (taped) October, 1978.

(2) Wayne Lewchuk 'Technology, Pay Systems and Motor Companies' Paper presented to the SSRC Conference on Business and Labour History, The Business History Unit, London School of Economics. 23rd March, 1981. Part of unpublished Ph.D.Thesis.p.18.

(3) H.Braverman, Labour and Monopoly Capital (New York, 1974).

(4) Braverman Ibid pp 98 & 99.

can ultimately lead to Fordism whereby the productivity and output of the worker is controlled by the pace of automatic conveyors on flow assembly lines.

Criticism has been levelled at the Braverman model for over emphasis on machine pacing and Friedman argues that capital has not been limited to methods of direct control through machine pacing, but has also adopted alternatives which he calls responsible autonomy. (1)

By this it is meant that the worker retains a greater degree of control over the production decisions. Others have criticised Braverman for ignoring the human element in the social relations of the workplace and that welfarism and paternalism were significant strategies by which management aimed to shift labour's perception of capital. (2) Attempts in the inter-war years to implement the classic forms of control, as advocated by Taylor, were made through the application of the Bedaux system. This was a modified version which gained some popularity in Britain, and which was applied to much larger concerns than the relatively small Vauxhall firm.

Taylorite views were widely discussed in the industry but there is little evidence that any factory put them into practice in the wholesale and specific ways advanced by advocates of such systems. The Bedaux system for example was only put into operation in one car firm in Britain - that of Rover. (3) Generally such systems of direct control did not find wholesale acceptance in British industry and tended to

(1) A.L.Friedman Industry and Labour (1977) p.78.

(2) B.Palmer 'Class, Conception and Conflict: The Thrust for Efficiency, Managerial Views of Labour.' Review of Radical Political Economy 1975.

(3) Craig R.Littler 'Rationalisation and Worker Resistance in Britain Between the Wars' Background paper seminar at King's College Research Centre. 23rd February, 1981.

be unpopular by the 1930s. (1) In Luton for example Messrs George Kent wrote to the Bedfordshire Engineering Employers Association about the desirability of introducing the Bedaux system into their works. In a reply the local association stated its views in a question and answer form:

<u>Question</u>	<u>Reply</u>
1. Whether the Federation looks kindly on the 'Bedaux' system of payments by results as compared with direct piece work?	No, definitely, no.
2. Whether there is any objection to changing over to any system of that type?	Desperate resistance may be expected from Trade Unions.
3. Their considered opinion as to whether it would be desirable to adopt this system as an alternative to direct piecework?	The unions will not have the system at any price. Nothing annoys them more than Bedaux. There have been half a dozen strikes against it.
4. Can they give us the name or names of any Federated firms who are working the Bedaux system?	Hoffman's of Chelmsford. They only managed to adopt it in a very slack period, when the unions were not strong enough to resist.

(2)

In actual fact Lewchuk states that: 'In its final state, the Vauxhall system closely resembled the Ford system.' (3)

His starting point for this assertion is based on the views of the pre-war Vauxhall manager, L.H.Pomeroy, who in an article published in 1914 stated that the drawing room should be made the nerve centre of all managerial organisation from which all instructions should be issued

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- (1) Littler op.cit. Revealed in discussion following the presentation of the paper.
  - (2) Private and confidential letter from Beds E.E.A. to Messrs. George Kent Limited. 6th September, 1937. Box file for Kent Limited. Mid-anglian E.E.F. Archives.
  - (3) W.Lewchuk 'Vauxhall: The Move Towards Direct Control' Part of paper entitled 'Technology and Managerial Practice in the Car Industry to the Early 1920s.' Presented to The Working Group of the Social History of Car Workers in Britain at the London School of Economics, April, 1981, p.47.

and all information collected "and is then responsible for work planning, sequence of operations and times therefore. '(1) To interpret this as a move towards direct control can be misleading. There is no evidence that Vauxhall eventually reorganised along these lines. A description of the Vauxhall Works in 1920 does not indicate that this was the case. (2) In fact Vauxhall came into line with the general practice within the engineering industry by being reluctantly forced to adopt the premium bonus system in 1917(3) - a system which Lewchuk admits was used in Britain as a viable alternative, together with the cultivation of common interests between capital and labour because it was seen 'to be potentially more profitable than direct control through mechanisation' as proposed by Braverman.(4) In addition Pomeroy's article must be viewed as general comments directed to the industry as a whole, and while new ideas on management were often discussed particularly after the war, there was little opportunity to put into practice tighter methods of direct control, up to 1922 without the full consent of the work force, such was the power of the unions at this time.

Lewchuk sees the decisive move towards direct control in Vauxhall occurring in 1921 when the market for motor vehicles collapsed and the firm was forced to take drastic action. (5) The factory was closed for six weeks during which each of the 6,000 jobs were studied, timed

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- (1) L.H.Pomeroy 'Automobile Engineering After the War,' Proceedings of the Institute of Automobile Engineers Vol.IX, 1914, p.22.
  - (2) 'The Works of Vauxhall Motors ' The Automobile Engineer June,1920.
  - (3) Luton Association Minutes 18th October,1917. Mid-Anglian E.E.F. Archives; see also page 147.
  - (4) Lewchuk 'Technology, Pay Systems and Motor Companies' op.cit p.3.
  - (5) Lewchuk Ibid p.18.



and assigned to a specific grade of labour. Premium bonus was dropped and the firm withdrew from the Engineering Employers Federation over the question of works committees. (1)

After this time Lewchuk states that Vauxhall adopted 'what appears to have been straight day work.' (2) Such a statement strongly suggests that this is pure speculation and no evidence is cited to back this view. Indeed one feature of the straight day work system, eventually adopted at Vauxhall in the late 1950s, is the increase in the number of foremen. This is because when bonus incentive schemes are abandoned there is much more of a need for direct overseeing by staff to induce workers to maintain levels of output. There is no evidence that the number of foremen substantially increased in this period.

In 1925 Vauxhall management claimed that it operated an 'efficiency system.' (3) The workers were paid a base rate plus a supplement stated as a percentage of their base rate. This percentage reflected the firms calculation of the value of the worker to the firm.

Automobile Engineer remarks on the uniqueness of this payments system and states the 'system of efficiency pay has been adopted which takes into account both quantity and quality of work.' (4) This phrase is particularly revealing and when juxtaposed with the comment that 'Vauxhall have achieved the happy mean between the two extremes of

(1) Vauxhall Membership File E.E.F.Archives. Letter: Vauxhall to E.E.F.15th July, 1921. See p.156.

(2) Lewchuk op.cit Vauxhall: The Move Towards Direct Control p.46.

(3) The Works of Vauxhall Motors Limited Automobile Engineer October, 1925 Vol.XV No.207.

(4) Ibid Automobile Engineer October, 1925.

quality regardless of price, on the one hand, and cheap standardisation without individuality on the other,' (1) it is clear that this efficiency system was an adaption to a semi-flow production line rather than a conscious policy by the management to directly control the workforce. In other words it was reacting to a system that had evolved rather than planning one with specific labour control elements. This system was therefore to enhance greater efficiency as its title suggests rather than purely control the workforce as an end in itself. After all Vauxhall clearly had complete control of its workers from the confrontations of 1921. Indeed the comparatively small Vauxhall concern which employed less than 2 thousand workers and produced less than  $1\frac{1}{2}$  thousand vehicles per annum in 1925 could hardly implement the classic systems of control through production processes which used the speeds of the mass flow conveyers to dictate the work rates of employees.

Lewchuk identifies skilled workers as being the main concern for which the Vauxhall management were motivated towards direct control. In 1921 Hancock complained that production costs were too high due to the excessive amount of skilled labour.(2) Lewchuk contends that machine grading disputes before and just after this time were attempts by Vauxhall management to reduce costs by reducing some skilled jobs to a semi-skilled status and thus be much more on a par with

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(1) Automobile Engineer October, 1925.

(2) 'Vauxhall Motors Reply' Luton News 6th October, 1921 p.7.

Midland manufacturers. While this is undoubtedly true it must be remembered that the most vociferous and numerous cases took place before 1921. Even accepting this view it must surely be the case that skilled labour was heavily relied upon in a manufacturing process that used a semi-flow assembly line and produced quality cars in comparatively low numbers. It is also known that Vauxhall did not pay its workforce below district rates during the 1920s but cut costs when necessary by lay offs. (1) In this way non-militant skilled workers maintained a reasonable wage and at the same time union activists could be excluded. There was thus little necessity to implement rigid controls over the work force as Lewchuk suggests.

Finally, in 1928 Vauxhall introduced the Group Bonus System, which paid workers bonuses on their contribution to a group within a department.(2) Lewchuk ends his piece on Vauxhall by stating confidently that 'it was realised that individual piece work was not compatible with flow production.'(3) By that time a crude type of line had been implemented.(4) However, one of the main characteristics of group bonus is that it has less direct control elements than measured day work. Less foremen are required as the men discipline themselves within the group because if an individual slackens his effort the group will berate him for jeopardising the bonus of the group as a whole (5). Such a bonus system tends to conform much more

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(1) Luton News, 6th October, 1921, p.7.

(2) E.W.Hancock, The Trend of Modern Production Methods The Proceedings of the Institute of Production Engineers Session 1927-28 Vol.VII No.2.

(3) Lewchuk op.cit 'Vauxhall: The Move Towards Direct Control' pp 47,48.

(4) 'The Works of Vauxhall Motors Limited' Automobile Engineer August 1930. Vol XX No.270.

(5) See page below which gives a detailed account of the group bonus system.

with what Friedman describes as 'responsible autonomy' rather than 'direct control'. As Les Cowell recalls 'if you got someone on the line who didn't want to work, you didn't have to see the foreman to take him away. The men on the line would make sure he got moved.'(1)

Sir Reginald Pearson, in an article which gives reasons for the change over to measured day work in 1956, explains that the major reasons were the fact that the times had become disjointed and earnings had become disproportionate to output. Glyn Morgan recalls 'we used to knock hell out of those times.'(2) Pearson also revealed that the group bonus system was incompatible with progress in mechanisation. 'In such circumstances efficiency would be determined less and less by the physical endeavours of the operatives and more and more by technical planning, appropriate equipment and improved methods.'(3)

He later states:

'Put shortly and bluntly, management today is committed to pre-production planning and cannot delegate its responsibilities for co-ordinated output to any system other than that controlled by the management.'(4)

It would seem that Wayne Lewchuk has predated the move towards direct control at Vauxhall by some 30 years.

It is clear, however, that the Vauxhall management did use the workforce

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(1) Interview Les Cowell (taped) March, 1980.

(2) Interview Glyn Morgan (taped) December, 1979. He means here that the men found little difficulty in achieving the set times and earned huge bonuses.

(3) Sir Reginald Pearson 'From Group Bonus to Straight Time Pay'. Journal of Industrial Economics, October, 1960 p.116.

(4) Ibid p.117.

as a scapegoat for its financial failures. The view taken was that if the union militancy within the firm could be broken, then cost reduction could follow which would enable the concern to become more profitable. That this did not happen is part testimony of the failure to identify by the Vauxhall management, the real weaknesses of the company. Graham Turner excuses the management by explaining that 'in the 1920s Vauxhall was not noticeably different from the hire-and-fire employer typical of the motor trade.' (1) There is a great deal of truth in such a statement if one takes into account the dictatorial attitudes and paternalistic nature of Fords, Austin and Morris but such companies could sugar their authoritarian pill by paying wages high above their respective district rates. (2) In 1927 earnings in motor manufacturing were 28 per cent higher than in general engineering. (3) Vauxhall could not afford to pay higher than the Luton district rate, and its isolated position in Luton, far from the engineering centres ensured that no intense competition for skilled and other labour need be so acute. Morris, although in a similar situation to Vauxhall in terms of location, was very profitable in this period and combined a policy of high wages in return for dictatorial control.

Additionally the Vauxhall lay offs must have been far harsher given the uncertain future of the company as is adequately described by the experience of Peter Vigor and his father. (4)

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(1) G. Turner The Car Makers (1963, Pelican edit. 1964) p.123.

(2) See for example Austin quoted in Wigham op.cit. p.198

(3) Ibid Wigham p.198.

(4) Peter Vigor interview quoted on pp.163,164.

### Conclusion

Vauxhall had shared in the increasing intensity of national management-labour relations in the engineering industry between 1916 and 1920. Management's desire to regrade work resulting from technical advances in machinery had to be approached cautiously, as the engineering unions increased in power. Pomeroy saw the Vauxhall position as being worse than the Midlands where he complained semi-skilled and under-rated men carried out work on capstan, milling and grinding machines, while fully rated men were used at Vauxhall.(1) Anxious to sustain output in the optimistic post-war years, the Vauxhall management did not press its demands for regrading what had once been skilled jobs to a semi-skilled status. The Bedfordshire Engineering Employers Association was unable to establish a district rate, and attempts at coordination between Bedford and Luton firms signally failed.

The situation rapidly changed towards the end of 1920 as Vauxhall came under increasing pressure as a result of financial losses. A.J.Hancock, the Works Manager, identified the problem as being due to an excessive amount of skilled labour which had the effect of keeping Vauxhall labour costs artificially high. (2) It therefore became the objective of the management to carry out what it had been unable to do before 1920 - regrading and re-rating machine operations. Hancock believed that this could only be carried out by management,

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(1) Letter from L.H.Pomeroy to the E.E.F. 7th Feb., 1917 D(8)2, E.E.F.Archives.

(2) Luton News 6th October, 1921, p.7.

and realizing that this would be in contravention of the Shop Stewards Agreement drawn up between the engineering unions and the E.E.F., he decided that the only recourse was to resign from the E.E.F. to give management a totally free hand. The factory was therefore closed for a six week period and jobs were re-timed and regraded. Premium Bonus was dropped and an Efficiency System eventually came into being - a system peculiar to Vauxhall. This was undoubtedly a sharp move in the direction of greater managerial control, but it would be misleading to interpret this as a move in the direction of a Fordist system of direct control. Even in 1925 when the Vauxhall works was expanded and reorganised the system of production and organisation was not advanced, nor was the output of vehicles large enough to conform to the Fordist system. The adoption of the Group Bonus System in 1928 was a move away from the classic forms of direct control and could be described as conforming to a greater degree to what Friedman describes as self autonomy. Even in the 1930s when Vauxhall reorganised in accordance with classic forms of assembly line production using automatic conveyors, Group Bonus remained, and was to continue to do so until 1956, when its abandonment was necessitated by the installation of advanced mechanisation.

CHAPTER SIX      The Bartlett Years: Industrial Relations Policies 1929-1950.

We have seen how in the 1920s under pressure from its heavy financial losses Vauxhall Management dealt harshly with the unions and eventually created an uncompromising regime in its dealings with the workforce. By contrast the Bartlett period of managerial control under General Motors, does appear to have been one of stability and enlightenment. However, the period, 1929-1953, was very much one of expansion and huge profitability and few of the problems which beset Hancock, Walton and Kidner occurred under his 'golden reign.' How then did Bartlett achieve this peaceful state; peaceful enough for Vauxhall to be dubbed 'the turnip patch.' Is this view totally true? Outwardly it would appear so. There were no major strikes in the period and such disputes that did exist, mainly in the Second World War, were described by Sir Reginald Pearson as stoppages and lasted for a few hours at the most. (1)

Bartlett achieved these ends in a number of ways. Firstly, he aimed at creating a more stable workforce which was not prone to the uncertainties of lay-offs in short times. Harold Horne, a militant communist A.E.U. shop steward (and later Convenor) states:

'He (Bartlett) began to introduce schemes, where in bad times, where other companies like Ford, would lay off workers - Bartlett would try to keep them on by doing jobs like cleaning up, painting machinery, repairing windows, things like this. Bartlett acquired the reputation of being a good humanistic progressive employer for these reasons.' (2)

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(1) Interview with Sir Reginald Pearson taped February, 1979.

(2) Harold Horne interview taped July, 1978.



Secondly, in the 1930s Vauxhall began to pay good wages compared with other industries in the town and compared with other car companies in Britain. Glyn Davies, a public relations officer, who began work at Vauxhall in 1935 in the body shop recalls that 'Vauxhall were paying good wages. Up to £3 a week. This meant a long waiting list to get a job. Kent Instruments (another Luton firm) paid £1.18s a week, which was poor by comparison.' (1) Harold Horne concedes that Vauxhall had 'a reputation for paying comparatively high wages, in excess of the general standard of wages in the motor industry.' (2)

The high local wage rates of Vauxhall are given documentary backing by the Bedfordshire Engineering Employers Association, which recorded in its minutes continual complaints from its members concerning the 'excessive Vauxhall wage rates.' As early as 1934 Skefko and Kent were very concerned about 'the high rates being paid by Messrs Vauxhall Motors to toolmakers and millwrights as compared with those paid by members of the Association' (3) These complaints appear periodically in the Association minutes right into the 1950s.

Thirdly, it can be argued that the Group Bonus System was one which gave a worker some degree of control over his work situation and relied less on direct means such as the use of foremen as in measured day work. Although this was introduced in 1928, a year before Bartlett became managing director, it was refined and improved under his control.

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(1) Glyn Davies Interview (taped) July, 1978.

(2) Harold Horne interview.

(3) B.E.E.A. Minute Book 1934, Jan., 1934. Mid-Anglian Archives.

Under Group Bonus production, workers were formed into groups which differed in size, in accordance with plant and production features. All machining, assembly and other group work was subject to a time study, and each group had a time standard by which its daily and weekly output could be judged. Each member of the group was ensured a basic hourly rate of pay but when group efficiency exceeded 75 per cent every group member was entitled to Group Bonus in accordance with a published table.

Bonus increments were set at 0.6 per cent for each 1 per cent rise in efficiency between 75 and 90 per cent; and at 1 per cent bonus between 91 and 100 per cent. This bonus rose to 10 per cent for 90 per cent efficiency, and 20 per cent for 100 per cent efficiency. Group efficiencies were calculated and published daily and cumulatively for all the days in the week. As a further incentive 1.2 per cent bonus was paid for every 1 per cent efficiency above 100 per cent efficiency achieved. Up to the outbreak of the war in 1939, the overall efficiency of the factory was around 102 per cent, but with variations between groups. (1)

According to shop floor workers the money earned under such a system was good. Les Cowell, a capstan operator, who started at Vauxhall in 1937 recalls with nostalgia,

'As far as I was concerned it was a marvellous way of earning money, ....The line I worked on was very good bonus we averaged 124% per week. We took 130% on odd occasions.' (2)

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(1) Sir Reginald Pearson 'From Group Bonus to Straight Time Pay' Journal of Industrial Economics, October, 1960, pp 113,114.

(2) Les Cowell interview (taped) March, 1980. Also quoted in Len Holden 'Think of Me Simply as the Skipper: Industrial Relations at Vauxhall 1920-1950' Oral History Journal Autumn 1981, Vol.9 No.2.p.24.

The system is also recalled as having produced more of a group atmosphere,

'You would get help from your mates then.... if I had a bit of trouble during the day or during the night, my mate, who had got his quota off to earn say 124% bonus would say "What's up Les?" I'd say "I'm in a bit of a mess here." "Right oh mate I'll give you a bit of a hand. "And he'd change his capstan over and get stuck in to help out with my work, which was beneficial to us all.' (1)

The Group bonus system also ensured that men disciplined themselves within the group. Glyn Morgan remembered:

'If a chap went to the toilet. You see at the end of each section was a board. If someone was in the toilet longer than his mates thought they ought to be, they would shout "Board, board", and point to the board where the bonuses were written up.' (2)

Similarly Peter Vigor, who spent some time as a capstan operator, relates:

'If someone talked or distracted another worker the others in the group would shout "cuckoo, cuckoo", because they thought he was fouling the nest. Also lateness was disapproved of by banging the chuck key so that all the group knew that you were late.' (3)

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(1) Les Cowell interview; Holden ibid p.24.

(2) Glyn Morgan interview.(taped) December, 1979; Holden ibid p.24.

(3) Peter Vigor interview; Holden ibid p.24.

Despite his comments in the Journal of Industrial Economics there is little doubt that Sir Reginald Pearson thought that the system worked well. In a taped interview he praises the system:

'The men knew what to do in order to earn more. They knew their STINT as it was called on the shop floor. The time study was fair. It was a comfortable working time and if they wanted to do a bit extra work, they could. There were never any quarrels. Men on the line knew most jobs around them so if a man wanted to go to the toilet he could be replaced by a fellow worker.' (1)

Staunch unionists took a different view. Glyn Morgan, an A.E.U.W. convenor, saw the system as 'an utterly carrot and donkey syndrome. From the trade union point of view it was iniquitous. It had its own discipline, but it was self discipline for the wrong motive.' (2) Harold Horne, another A.E.U.W. convenor, who actually worked on group bonus although against the system in principle was less scathing in his criticism.

'It became a matter of debate later about whether it was a bad move to abolish the Group Bonus System, or, like myself, think it was the best thing we ever did.' We reached an agreement to end the group bonus system. Ford had always been on measured day work. Employers throughout the industry were pushing for measured day work (in the late 1950s) to end the constant

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(1) Interview Sir Reginald Pearson February, 1979.

(2) Interview Glyn Morgan December, 1979.

disruptions on the shop floor because a group would stop work because it was fixed at a lower rate. The only way to stop this was to go to a system irrespective of work done, where a basic rate of pay was guaranteed.'(1)

In 1955 Vauxhall management began a reassessment of the desirability of the retention of the Group Bonus system, and it came to the conclusion that its replacement by Measured Day Work was necessary. The main reasons were cost and increased mechanisation. Firstly, Group Bonus earnings were becoming too high and factory efficiency was substantially above 100 per cent and the average bonus was just under 60 per cent on the base rates. Secondly, a large expansion programme was being embarked upon which markedly accelerated the introduction of mechanisation. 'In such circumstances, efficiency would be determined less and less by the physical endeavours of the operatives, and more and more by technical planning, appropriate equipment and improved methods.' (2) In other words increasing mechanisation could create a situation whereby workers could earn enormous sums under the old Group Bonus rates. The A.E.U. at Vauxhall was generally amenable to the proposed changes because after 1949 the union nationally preferred Measured Day Work because it guaranteed higher basic earnings. In addition resentment had been created because production workers had often earned as much and sometimes more than skilled workers. The N.U.V.B., which had a smaller membership than the A.E.U. in Vauxhall, objected to the introduction of Measured Day Work. Therefore added to the attractive

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(1) Interview Harold Horne, July, 1978.

(2) Sir Reginald Pearson 'From Group Bonus to Straight Time Pay' Journal of Industrial Economics Oct., 1960, p.116.

conditions of high stable earnings, a higher night shift premium and higher over-time rates, was the caveat that the system would be reviewed after six to eight months of implementation at the end of 1956. (1) Whatever the merits and demerits of Group Bonus there is little doubt that many workers and Sir Reginald Pearson viewed the system with a great deal of nostalgia particularly in contrast to the 1960s which became a time of considerable industrial unrest and Vauxhall's reputation of tranquility was besmirched. Such nostalgic memories only heightened the reputation of Bartlett as an ideal employer.

Another of Bartlett's innovations was the introduction of a profit sharing scheme. At the 21st Ordinary General Meeting Leslie Walton announced 'that 10 per cent of the net profits of the company, after deduction of 6 per cent on the capital employed in the business, will be divided among our employees in proportion to the wages and salaries they earn.' (2) Only those employed at Vauxhall for more than one year could participate in the scheme and allowances were made in recognition of long service.

There is little doubt that it was a popular scheme. Peter Vigor remembers 'It was the most eagerly awaited notice of the whole year. My brother bought a bicycle under this scheme.' (3) Fred Smith, a worker in the heat treatment department, adds, 'There was some good profit sharings. Very good. I know there was one which was £80 odd.' (4)

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(1) Pearson op.cit From Group Bonus ... pp 119,120.

(2) Report of 21st Ord.Gen.Meeting The Times 1st April, 1935 p.23 col.4.

(3) Peter Vigor interview

(4) Fred Smith Interview (taped) March, 1980. Began work at Vauxhall 1935.

Harold Horne generally agrees but also offers a reason for its demise:

'In the first two years in which I participated it was fairly good. This was in the early 1940s. Everybody looked forward to this hand out in profit sharing. Then it began to decline in sum of money year after year..... to the point where the unions reached an agreement with the company, that on annual wage increases, on say 4 pence an hour, which the company established the profit sharing scheme worked out at, they would abolish the profit sharing scheme.' (1)

The general impression given by the workers who talked about the scheme was that really large annual bonuses were the exception rather than the rule, particularly in the late 1940s and early 1950s. In the 1950s the scheme appears to have laid virtually dormant, until it was finally replaced by the union-management negotiated agreement referred to by Harold Horne above, Peter Vigor tends to endorse this view.

'In later years the company wanted to get rid of it but the workers did not, and it was a bone of contention, but there were no strikes over it. But unless it paid well it was self defeating.

It only came up to expectations on a few occasions.' (2)

It is worth noting, however, that this scheme was phased out after Bartlett's retirement in 1953.

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(1) Harold Horne interview.

(2) Peter Vigor interview.

One particular idea instituted under Bartlett's control was the Management Advisory Committee. This body was the lynch pin of management - labour relations at Vauxhall. In a 1945 Vauxhall publication the M.A.C. is given pride of place and extolled as the prime example of how industrial relations should be conducted.(1) Turner comments 'He (Bartlett) left behind him a monument which more than any other has kept the firm free of strife.'(2)

The M.A.C. was set up in 1941. The factory was split up into over 20 areas and a secret ballot enabled a representative from each to be elected. The members nominated from the work force sat for three years, and there were six nominees from the management. The chairman was the managing director. Meetings were held monthly unless there were emergencies, to deal with sudden disputes. Seymour describes the aim of the M.A.C. as helping 'the management settle problems of policy and then go out and explain that policy to their constituents.'(3) All minutes were published and posted throughout the factory. The M.A.C. had a wide brief and discussed not only disputes and their avoidance, but grading schemes in relation to rates of pay, pensions schemes, and holidays. In addition a number of sub-committees were formed to deal with the problems of absenteeism in the war years; a Transport Committee to facilitate easier travel to work and a Suggestions Committee to test ideas from the workforce to improve production. (4) At a time when both management and unions

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(1) W.J.Seymour An Account of Our Stewardship (Vauxhall, Luton 1945)

(2) G.Turner The Car Makers (1963; Paperback 1964) p.123.

(3) Seymour op.cit pp 6,7 and 8.

(4) Seymour Ibid pp 7 & 8.



were suspicious of proposed production committees in the early years of the war, this Vauxhall experiment appeared to be an advanced experiment in industrial democracy.

Richard Croucher referring to production committees at the time when Vauxhall set up the M.A.C. states that 'most managers were not in favour of any such schemes.... they only came to accept them as a "fact of life" because of the pressures brought to bear on them by government on the one hand and the shop stewards on the other.' (1) Croucher continues by emphasising that only 6 per cent of Joint Production Committees were set up by the end of 1941.

The Majority were set up in 1942 and appeared to have met only once 'and effectively ceased to operate.' (2) In Coventry for example, only 15 out of 44 met regularly.' (3)

It would appear that Vauxhall management were far ahead in progressive methods of labour consultation. However, non cooperation in other areas was not entirely attributable to management and some trade unionists in two Coventry factories dubbed them 'Gaffer's Committees.' (4) In this respect it could be seen that Vauxhall was effectively emasculating the rights of the workforce by creating a facade of democracy in the work place. The evidence does not seem to generally support this view. Unionism, as is described below, began to expand within Vauxhall in the war years and does not seem to have been hampered by the presence of the M.A.C. Indeed

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(1) Richard Croucher Engineers at War 1939-1945 (London, 1982) p.149.

(2) Croucher Ibid p.155

(3) Croucher Ibid p.155.

(4) Croucher Ibid p.155

such shop floor militants as Harold Horne were soon to be elected to the Committee and to serve upon it until the late 1950s.(1) Indeed Horne claims that the M.A.C. was initially an idea emanating from the Luton Communist Party. 'During the war a campaign was organised by the trade union movement largely initiated by the Communist Party to set up a production committee, for the war effort. At one of our meetings leaflets were given out about these, and Bartlett came along with Reg Pearson. He said to Reg "Look at this leaflet. There you are Reg, that's what we want." He was astute enough to see the trend, and very soon after that established the Management Advisory Committee.' (2)

It seems that Bartlett's attitude towards the unions was not vociferous opposition, as had been the experience in Vauxhall in the 1920s. He did not, however, encourage them and probably took an attitude of 'letting sleeping dogs lie.' For unionism within Vauxhall and in Luton in general lay dormant for much of the 1930s and only began to gain footholds in the war years.

In the car industry as a whole unionism remained generally weak and Patrick Fridenson states:

'In post 1926 Britain, the motor car industry "drew on its vast supplies of destitute people in the depressed regions"....this heterogeneous recruitment outgrew existing divisions of labour. It also weakened the already declining trade unions. Being based on skilled workers, they did not easily accept or incorporate semi-skilled workers.' (3)

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(1) Harold Horne interview.

(2) Harold Horne interview.

(3) Patrick Fridenson 'The Coming of the Assembly Line to Europe' in Krohn, Laytons, Weingart (eds) The Dynamics of Science and Technology, Sociology of the Sciences. Vol.II. 1928, Dordrecht, Holland. He quotes from R.D.Sealy 'From Carriages to Cars.' Oxford, Ruskin College (Unpublished Diploma Thesis) 1976.

The assembly line workers and other unskilled and semi-skilled workers in the inter-war years thus remained largely nonunionised. The employers did not encourage the unions (and were often vociferously against them as in the case of Ford, Austin and Morris), the skilled unions did not want to encourage dilution of skills by allowing the assembly line workers to join. In the Luton area the militancy, never as great as other areas, which took place in the latter part of the 1st World War and the immediate post-war years proved to be an exceptional time and petered out as quickly as it had emerged. As Huw Beynon puts it describing the unskilled and semi-skilled car workers in this period, 'Mostly these men were on their own.'(1)

Before examining the growth of unionism within Vauxhall it would be of interest to examine the influence of migrants on the labour situation. Did the influx of migrants into Luton have the effect, as Fridensen seems to indicate of stunting unions growth; or did the workers from depressed regions bring with them their union consciousness, and helped engender an upsurge which began to take place after 1934?

The evidence seems to suggest that Fridensen view is somewhat mistaken, particularly regarding the Luton-Vauxhall experience. The union protests concerning the importation of labour in the early 1920s concerned mainly labour brought in from the Bedfordshire area and

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(1) Huw Beynon Working For Ford (London, 1973) p.44.

and surrounding regions and London. Though there was immigration into the area in the 1920s the vast bulk from the depressed regions did not begin to arrive until the 1930s. Titmus and Grundy estimate that by 1945 41,760 immigrants had entered the town which accounted for 46% of the total population. (1) Although this would seem to be a large figure he stresses that 'the bulk of Luton's new population came from Bedfordshire and the South-East.' In fact he calculates that 13,526 immigrants had come from the depressed areas of Scotland, Wales and Northern England, and accounted for 13 per cent of the total population.(2)

This evidence is clearly backed by the fact that the principal source of attraction was the growing Vauxhall works, which did not experience large scale expansion until the 1930s. Initial post 1926 union weakness in the Vauxhall car industry was therefore not as a result of mass immigration from the depressed areas, helping to create a pool of labour.

In fact workers moving to the town from the depressed areas found a feeble union structure as table 24 indicates. It would be reasonable to suggest that the immigrants brought a union consciousness with them from areas with stronger union traditions than Luton.

Glyn Morgan for example began work in Luton in 1934 and became a strong unionist influenced by his father who had left Wales in the 1920s.(3) Fred Smith who came from Swindon claims, 'I was a union

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- (1) Richard Titmus and F.Grundy Report on Luton (Luton,1945) p.118
  - (2) Titmus and Grundy Ibid p.119.
  - (3) Glyn Morgan interview.

man because I had to be on the railway. . But there was not a lot of union then, not till after the war.' (1) Though some of the immigrant workers were strong unionists the evidence suggests that the depressed state of the economy as a whole generally held back militancy in the 1930s and the work of militants only became effective during the war when labour shortages of an acute nature began to occur. Arthur Excell tends to endorse this view in the experience of Morris Motors in Oxford. When ex-railwaymen were introduced into the tool room they brought with them trade union practices. Significantly, this took place in the 1940s when the labour supply situation had radically changed.(2) Glyn Morgan dates the influence from 1940 in Vauxhall.

'The shop stewards committee had just started in 1940. In the skilled areas you had a lot of people from the traditionally skilled areas like Coventry and Birmingham, and even British who had worked in Detroit. They came in with their union cards in their pockets. They formed the nucleus of the trade union in the skilled areas.'(3)

The main unions at Vauxhall from the earliest days were the engineering unions, mainly the A.E.U., and the National Union of Vehicle Builders (N.U.V.M.). British car workers had traditionally been organised in craft unions like the A.E.U. and the N.U.V.B. While the engineers

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(1) Fred Smith interview.

(2) Arthur Excell 'Morris Motors in the 1940s', History Workshop Journal No.9, Spring 1980, pp 92,93.

(3) Glyn Morgan interview.

kept some small presence throughout, it appears that by the mid-1903s that the N.U.V.B. had little or no members at all in Vauxhall, and it was only in the 1940s that they began to build up again among the mass production workers including women. The Transport and General Workers Union (T.G.W.U.) did not attempt systematic recruitment of assembly line workers in the 1930s and 1940s and according to Harold Horne, whose brother became the T.G.W.U. District Organiser, they were not able to gain footholds and recognition in Vauxhall until the 1950s. (1)

Unfortunately, there are no specific union membership figures relating to Vauxhall alone, although accurate and regular figures are available for the Luton A.E.U. branches and the N.U.V.B. to give a clear indication of union strength in the district. A.E.U. membership began to steadily rise after 1934 as the following table indicates.

TABLE 26 A.E.U. Membership Figures for Luton 1933-1950 (2)

<u>Year</u>	<u>Month</u>	<u>Total Membership</u>	<u>Branches</u>
1933	Dec.	402	3
1934	June	591	3
1934	Dec.	788	3
1935	June	643	3
1935	Dec.	723	3
1936	June	806	3
1936	Dec.	1,159	4
1937	June	1,792	5
1938	Jan.	1,952	6
1938	June	2,048	6
1938	Dec.	1,924	6
1939	Jan.	1,845	6
1939	June	1,938	6
1940	Jan.	2,278	6
1940	June	2,734	6

(1) Harold Horne interview.

(2) Source: A.E.U. Quarterly Reports 1933-1945, and A.E.U. Monthly Journals, 1946-1950.

AEU MEMBERSHIP FIGURES LUTON 1920-1950

GRAPH 1 AEU MEMBERSHIP FIGURES LUTON 1920-1950

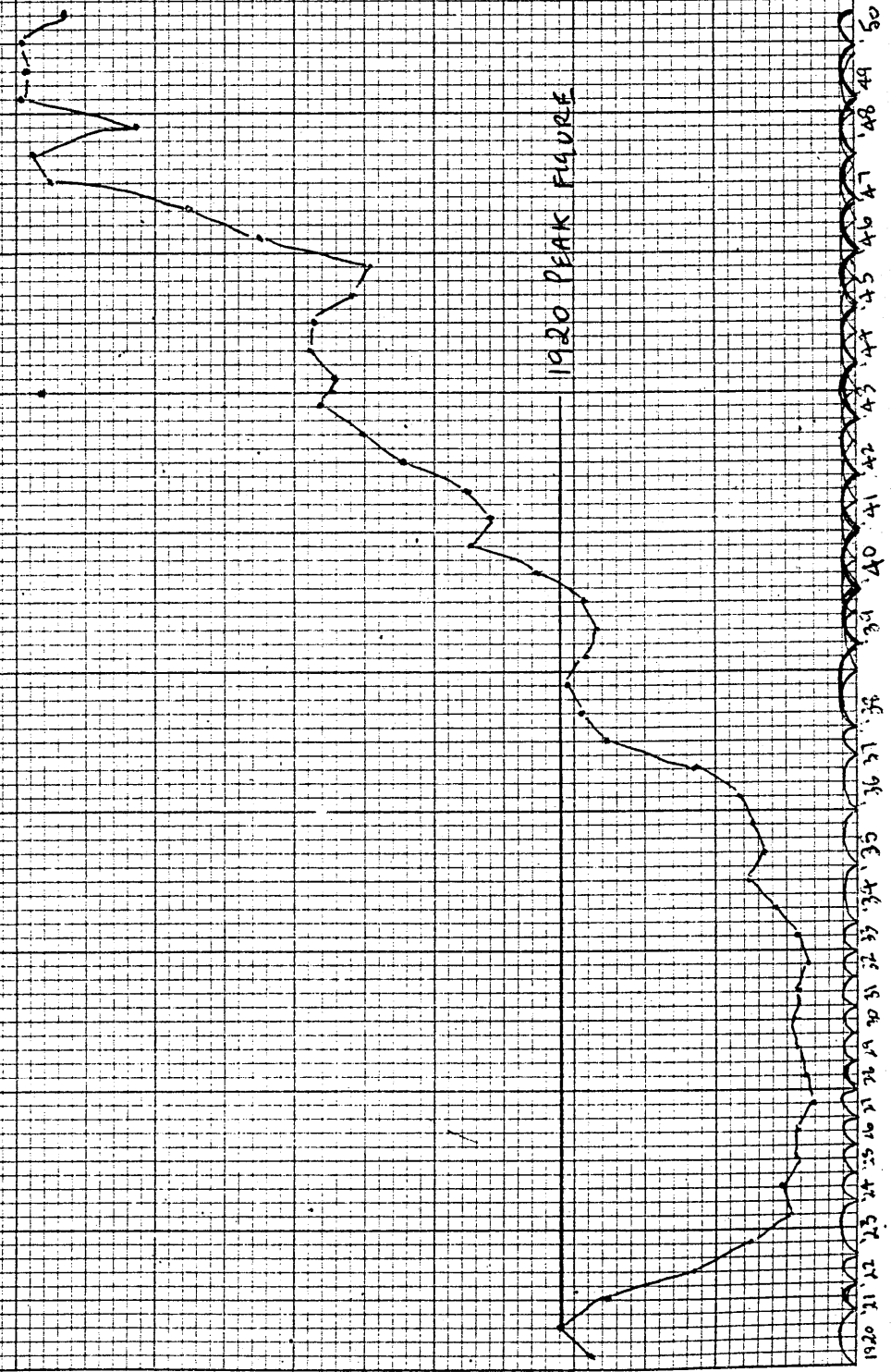


TABLE 26 continued.

<u>Year</u>	<u>Month</u>	<u>Total Membership</u>	<u>Branches</u>
1941	Jan	2,612	6
1941	June	2,773	6
1942	Jan.	3,225	6
1942	June	3,507	6
1943	Jan.	3,806	6
1943	June	3,709	6
1944	Jan.	3,896	6
1944	June	3,876	6
1945	Jan.	3,592	6
1945	June	3,472	6
1946	Feb.	4,242	9
1946	July	4,777	9
1947	Jan.	5,751	9
1947	June	5,897	9
1948	Jan.	5,604	10
1948	June	5,967	10
1949	Jan.	5,946	10
1949	June	5,961	10
1950	Jan.	5,647	10

Unionisation within the engineering industry in Luton was comparatively slow. In July, 1935, the A.E.U. district organiser, F.E. Chappell reports 'we have not made the progress in this district we are entitled to expect... there is a drive on for 2,000 members for Luton.' (1)

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(1) Report of District Organiser, Division 17, Luton A.E.U. Monthly Journal December, 1935.



The membership did in fact triple between 1935 and 1938 and the number of branches increased from 3 to 6, and Chappell records in June 1938 that 'a special effort is being made to organise the work people employed at Vauxhall Motors Ltd., and considerable attention has been given to this task.' (1) However, it is clear from the membership figures, that immediate expansion did not occur and the numbers fell below the 1938 peak until 1940, no doubt set back by the recession in the car industry in that year.

In fact the 1920 inter-war peak was not equalled again until 1940, and even then the percentage of the workforce engaged in engineering which was unionised was much lower in 1940 than it had been in 1920. Approximately 47 per cent of the engineering workforce were unionised in 1920, (2) but in 1939 this percentage was only 11.2, and was still only 14 per cent in 1945 (3) Comparing the rise of Luton's A.E.U. membership with the major engineering centre of Coventry a poor performance is clearly seen in Luton after 1937.

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- (1) Report of District Organiser, Division 17, A.E.U. Monthly Journal, June, 1938.
  - (2) The 1921 Census enumerates 4,496 men engaged in making metals, machines and implements. No figures for women are given. Vehicle manufacture in Luton is not given a separate category.
  - (3) Titmus and Grundy calculate that 17,325 were engaged in general engineering and motor engineering in 1939 Report on Luton Table 18) p.101,; and 26,634 in 1945.(table 18, p.101).

TABLE 27 Comparison of Numerical and Percentage Rise of A.E.U. Membership in Luton and Coventry 1934-1940. (1)

<u>Year</u>	<u>Month</u>	<u>Members</u> <u>Coventry</u>	<u>% Rise</u>	<u>Branches</u>	<u>Members</u> <u>Luton</u>	<u>% Rise</u>	<u>Branches</u>
1934	October	2,622	-	10	788	-	3
1937	June	6,145	234% on 1934	15	1,792	227% on 1934	5
1940	June	9,402	53% on 1937	21	2,278	27% on 1937	6

The rate of recruitment in Coventry was almost double that of Luton after 1937; and within the Luton context the indication of union recruitment in Vauxhall was much worse than the district generally. In 1938 the Joint Organiser for the South of England Economic League reported that 'with the exception of the motor industry, the works of Messrs. G.Kent Limited, are regarded by the trade unions as the most difficult in the district.' (2)

Attempts to recruit within Vauxhall by the Transport and General Workers met with even less success and Sandford reports that:

'On March 22nd, 1938, Twort (a local T.G.W.U. organiser and labour activist) received a letter from the T. & G.W.U. reprimanding him for having distributed trade union recruiting literature at the Vauxhall factory. It stated that as this firm was not affiliated to the Employer's Federation it might cause trouble if he got many members there, as there would be no method whereby any

(1) Source: A.E.U. Quarterly Reports 1934 October, 1937 June, 1940 June.

(2) Letter and Report from L.R.Stanford, Joint Organiser of The South of England Economic League to W.F.T.Trunchion, Sec. Beds Engineering Employers Association. 29th July, 1938. Mid-Anglian E.E.F.Archives.

conversations could take place with the firm.' (1)

The National Union of Vehicle Builders (N.U.V.B.) performance in recruitment was also slow and its membership was tiny compared with the A.E.U. Sid Dalley, a vehicle builder, who moved to Luton in 1933, recalls that there were only 28 members in the Luton branch, and of these only 12 worked in Vauxhall, and the management did not know they were members.(2) In fact the Luton N.U.V.B. members were controlled from London at this time.(3) Even by the time of the outbreak of the war the N.U.V.B. membership had only increased to 40 in the Luton area.(4) In actual fact the N.U.V.B. Quarterly Reports in its Journal record only 12 members in the Luton branch in 1933, rising to 29 by 1935. (4)

N.U.V.B. membership followed a closely similar pattern to that of the A.E.U. in the Luton area from the First World War until the 1950s, although at a much lower level in terms of numbers.

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- (1) Letter and Report Stanford to Trunchion 22nd April, 1938 p.2. Mid-Anglian E.E.F.Archives.
  - (2) Interview Sid Dalley, taped and typescripted by Steve Tolliday, Kings College, Cambridge, 15th June, 1981 p.15.
  - (3) Information from Tim Claydon from paper given to Car Workers Group L.S.E. entitled 'Trade Union Recruiting Strategies in the Inter-War Car Industry.' October, 1981.
  - (4) N.U.V.B. Quarterly Journal April, 1934 and April, 1936. These are membership returns for the end of 1933 and end of 1934.

GRAPH NO 2  
LUTON N.D. VB FIGURES 1916 - 1958

JULY, 1958 - 1826  
DEC, 1958 - 2108

1920 PEAK FIGURE

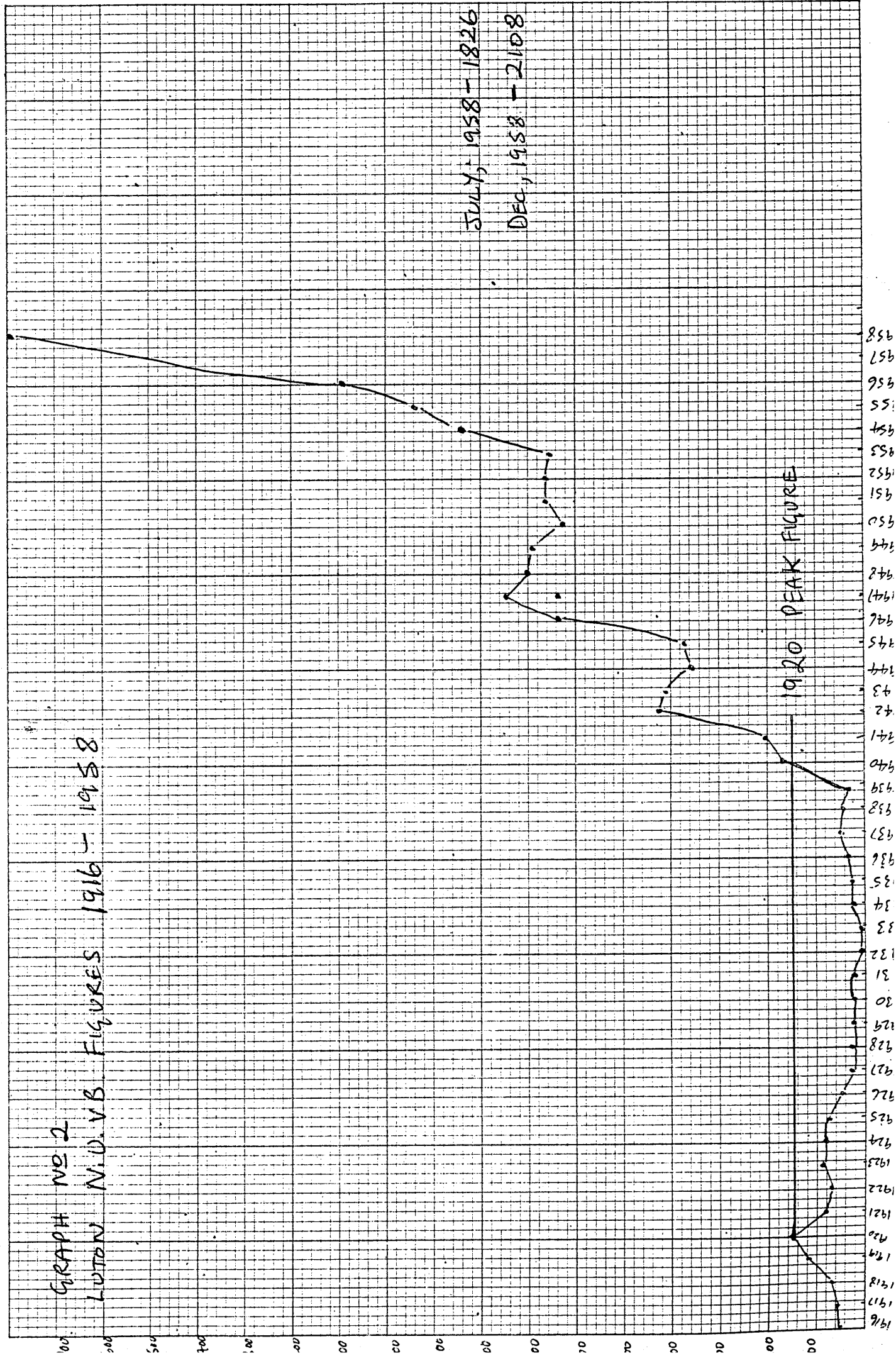


TABLE 28 N.U.V.B. Membership Luton, 1916-1958. (1)

<u>Year</u>	<u>Membership</u>	<u>Year</u>	<u>Membership</u>
1916	53	1940	174
1917	61	1941	210
1918	73	1942	425
1919	119	1943	416
1920	151	1944	349
1921	86	1945	367
1922	72	1946	638
1923	89	1947	748
1924	81	1948	703
1925	78	1949	688
1926	53	1950	634
1927	37	1951	665
1928	31	1952	666
1929	29	1953	758
1930	30	1954	843
1931	24	1955	938
1932	13	1956(Oct.)	1,098
1933	12	1958 (July)	1,826
1934	22	1958 (Dec.)	2,108
1935	29		
1936	38		
1937	46		
1938	45		
1939	132		

Table 28 and Graph 2 reveal, that like the A.E.U., the N.U.V.B. membership did not equal the 1920 figure until 1940. It would seem therefore that union presence in the Luton engineering industry and in Vauxhall began to grow in the 2nd World War. Jonathan Zeitlin

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- (1) Source: N.U.V.B. Quarterly Journal for April of each year, except for October, 1956 figure which is in January, 1957; and July 1958 which is in October 1958 edition. The April Journal gives the end of the year membership for the previous year.

points to a time between the late 1930s and the early 1950s, when upsurge in unionism was significant enough to enable what might be described as job control by the unions.(1) Superficially this appears to be true but closer examination of the period from 1940 to the late 1950s clearly shows that this was not the case. Steve Tolliday challenges this and he sees the late 1950s as the time when mass unionism made large incursions into the major motor firms, such as Morris, Austin, Ford and B.M.C.(2) The Vauxhall experience tends to concur with this view. There is considerable evidence of increased union activity in Vauxhall in the war years. However, as late as 1942 the N.U.V.B. organiser for the area (which includes Luton) only mentions Vauxhall for the first time in his report, and none too encouragingly. 'Trade union is not up to the standard we would like to see' in this firm. (3) Nevertheless, the N.U.V.B. had established a firm foothold in Vauxhall by the end of the war. For example by July 1943 the N.U.V.B. have a representative on the Management Advisory Committee, (4) and in December the local N.U.V.B. minutes record how their representatives were 'now able to meet the Vauxhall Management' concerning grading

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- (1) Jonathan Zeitlin 'The Emergence of Shop Steward Organisation and Job Control in the British Car Industry: A Review Essay.' History Workshop Journal Issue 10, Autumn 1980, p.121. Job Control is seen as the autonomy from central union control enjoyed by shop stewards. The concrete embodiment of constraints which shop stewards impose on management's attempts at technical and organisational innovation are seen to be 'informal' work roles and restrictive practices, such as demarcation lines, seniority systems, over-manning and limitations on the speed and output of machine. p.119.
  - (2) Steve Tolliday 'Management Strategy and Shop Floor Organisation: Standard and Austin Motors, 1920-1950.' Paper presented to seminar on 'Shop Floor Bargaining, Job Control and National Economic Performance: The British Experience in Comparative Perspective, 1870 - The Present.' Kings College, Cambridge, 16th November, 1981. Unionism clearly did make some inroads in the smaller firms especially Standard, Humber, Jaguar and Daimler from the time of the Second World War.
  - (3) N.U.V.B. Quarterly Journal January 1942. District Organiser's Report.
  - (4) N.U.V.B. Minute Book, Luton No.1 Branch 2nd July, 1943.

and rates of pay, a position which A.Penn, the Area Organiser, states as being a considerable move forward on the pre-war situation.(1) In fact the Luton N.U.V.B. branch seems to have had the strongest presence in Vauxhall Motors and Percival Aircraft as much of their minutes up to 1950 and beyond are taken up with questions in these two firms. (2)

From late 1944 and throughout 1945 lengthy and protracted negotiations took place between the N.U.V.B. and Vauxhall over the question of grades and rates of pay between body builders and body assemblers, and towards the end Bartlett himself became involved in these discussions. (3) By mid 1946 the N.U.V.B. had shop stewards in the paint shop, trim shop, finishing shop and body shop.(4) In July of that year a strike by N.U.V.B.members is recorded in the paint shop but no details given as to its cause. (5) In September the body shop received an upgrading of all its members, a sign that the N.U.V.B. were having some effect. (6) In November it was proposed that a shop stewards committee be set up and the minutes for this particular meeting close with the words: 'all the above stewards reports were acceptable with thanks to them for their efforts in building up a strong N.U.V.B. presence at Vauxhall Motors.'(7) Likewise the A.E.U. also witnessed an expansion of its membership within Vauxhall in the war years, and for the first time wide spread recruitment of semi-skilled and unskilled workers, began to take place.

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(1) N.U.V.B.Minute Book, Luton No.1 Branch 7th Dec.,1943.

(2) Ibid Minutes for the Period 1942-1955.

(3) Ibid Minutes late 1944 to mid 1945.

(4) Ibid 5th July, 1946.

(5) Ibid 14th July, 1946.

(6) Ibid 6th September, 1946.

(7) Ibid 8th November, 1946.

According to most of the Vauxhall workers interviewed the unions were not recognised as such, except in the skilled areas, which even then were very weak until the early years of the war. According to Tom Adair and Don Smith, two A.E.U. semi-skilled shop floor workers and union activists, the starting point for unionisation was in the Tank Shop. (1) Adair was elected the shop steward and when the M.A.C. began in 1941 was one of the first A.E.U. men to be elected on to that body. In 1941 and 1942 these men attest to a number of incidents with the management which had the effect of improving union presence in Vauxhall and enabling union recognition. The first was in 1941 and revolved around the nature of the proposed M.A.C. Bartlett wanted it to be selected by him but, according to Adair, the A.E.U. members wanted it to be elected. 'He wanted to hold control.' (2) Finally, after a meeting Bartlett agreed to a 12 month experiment of elected representatives, after which it continued in this form.

The second incident involved an increase in wage rates after it was discovered that men working on Churchill tanks in factories in the Midlands and High Wycombe were being paid a higher rate. The increase resulted in a rise from 1/10d per hour, top rate, to 2/10d per hour. Immediately the skilled men wanted comparative adjustments, 'and this

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- (1) Tom Adair estimates that less than 3 per cent of the unskilled were unionised, and in the skilled areas unionisation was not higher than 40 to 50 per cent by the late 1930s. Taped interview Tom(Jock) Adair, 1st April, 1981. Started at Vauxhall in 1938. Interview with Don(Jock) Smith 11th March, 1981. Started at Vauxhall in 1938. Both worked in the Tank Shop during the war, so named because of the Churchill tank engines produced there.
- (2) Tom Adair interview.



startèd them off.' (1) The third dispute centred around production for war work. Adair, Horne and Smith were all Communists and wanted to see improved production in the effort to help the Soviet Union. In early 1942 they felt that production was too slow due mainly to shortages of materials, and so after repeated requests to the management to get the government to hasten raw material supplies, with little result, they sent a telegram to Lord Beaverbrook, the Minister of Supply, outlining the Vauxhall needs. The materials came through rapidly after this piece of direct action but the Vauxhall management were furious for going over their heads. Adair was summoned to Bartlett's office and threatened with the sack but the men on hearing this pledged full support to Adair to the point of using strike action if necessary. Bartlett climbed down and Adair recalls 'after that the attitude of the management changed - instead of being tough, antagonistic and nasty, they swung round the other way, and we got on famously. We never had any trouble in the Tank Shop after that.' (2)

Smith states that it was from the Tank Shop that unionisation of the semi-skilled and unskilled workers spread throughout Vauxhall; and from Vauxhall to the rest of Luton. (3)

From 1942 until the end of the war there were no major incidents at Vauxhall but there was a strike by A.E.U. members in September, 1945

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(1) Tom Adair interview.

(2) Ibid.

(3) Don Smith interview.

concerning bonus payments. (1) Harold Horne gives an account of the strike in which he recalls Bartlett coming down to the strike meeting to address the men.' 'We allowed him to get up on the box to talk to the workers, and he believed that just by talking to them he could get them to go back to work, but he got a bit of a shock when somebody called out from the back of the meeting, "We don't want management here. This is a workers meeting." And he had to retreat. A big meeting was held in the canteen after the strike had been on for a few days. A settlement was arrived at whereby payments of bonus were improved.' (2)

These incidents would seem to suggest that Zeitlin's thesis of a strong move toward workers job control, appear to be accurate. However, put in the wider context of the development of unionisation within Vauxhall, and indeed Luton, stretching up to the 1970s a more balanced and accurate picture emerges. For example in 1948 the total insured workforce in Luton is put at 71,860 (3) of which 14,000 are unionised.(4) This works out at less than 20 per cent of the insured workforce. Taking only the insured workforce engaged in vehicles and aircraft manufacture and other types of engineering, 27,730 (5), and the combined N.U.V.B. and A.E.U. 1949 totals 6,649, the unions percentage is only 24 per cent of those engaged in engineering in Luton.

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(1) The only documentary evidence is a reference in the N.U.V.B. Minutes No.1 Branch 5th October, 1945.

(2) Harold Horne interview.

(3) E.Sterne Bedfordshire County Development Plan 1952 (Bedford,1952) Table VII 'Industrial Structure Luton 1948' p.37.

(4) Trade Union Membership Drive Luton and District Trades Council (Luton, 1949) p.7.

(5) Sterne Ibid, Table VII, p.37.

This would be hardly sufficient union power to exercise union control of jobs. Turner, Clack and Roberts state that up until the early 1960s only half the work force in Vauxhall were in the unions.(1) Keith Burns, a Vauxhall employee from 1942 to 1976 and A.E.U. member fully backs this view. 'The unions never had power in Vauxhall. They have gone from strength to strength, but they have never had the power. It wasn't until 1958-59 that the unions started to get more membership in a big way.... there was always more non-union members than union members up until that time....In fact Vauxhall did not become a closed shop until the 1970s.'(2) The Vauxhall experience would thus clearly repudiate the Zeitlin view, which contends that from the war unions began to exert control over jobs, and far from the process being complete by the late 1950s the evidence suggests that this was the time at which it started. Having rejected Lewchuk's view that the management had exercised full control through the production processes, and Zeitlin's view that the workers i.e. unions exercised control over their jobs, what would be an accurate picture of the relationship between management and labour at Vauxhall?

The picture which emerges is one where management dominance was maintained in the inter-war years as unions in the car industry generally were affected by the depression. The beginnings of union recovery began in the 1930s particularly from 1934 when the car

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(1) H.A.Turner, G.Clack and G.Roberts Labour Relation in the Motor Industry (1967) p.195.

(2) Interview Keith Burns (taped) 21st January, 1982. Began work at Vauxhall in 1942 and retired in 1976.

industry began to expand rapidly; but this expansion was against a backcloth of continuing depression in the economy as a whole and while areas like Luton and the Vauxhall works acted like magnets to the unemployed lack of union militancy was ensured. The pool of labour was always ready to be boosted in areas like Luton by the influx of workers from other areas desperately searching for work; but these workers brought with them a strong sense of unionism which remained dormant until the demands of war production reawakened activism. Set against this changing labour supply backcloth was the changing character of the Vauxhall management. The older hard managers of the struggling 1920s firm, with their virulent anti-union attitudes were replaced by a more enlightened group of men, led by Charles Bartlett. Bartlett was not only an initiator of ideas but was astute enough to see trends and adapt to them. Thus while attempts at unionisation within Vauxhall were not encouraged in the 1930s, policies were introduced and developed which encouraged the workforce to feel part of the organisation. Such an idea he plainly expressed in 1948 when he called on industry in Britain for better leadership. He wished to see 'leadership that understands the social demands of the men and women with whom we work. "With whom we work" - it is a great shift from "those we employ." ' (1) This quotation reveals the essential dichotomy of Bartlett's approach. While he also clearly sees that it needs strong and enlightened leadership.

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(1) Sir Charles Bartlett 'Management and Productivity; The Results to be Achieved and the Penalties of Failure.' British Management Review, 1948, p.74.

Harold Horne held the view that 'he had ideas of the Corporate State, as in Mussolini's Italy.' (1) Indeed in an article he wrote in 1929 he invokes Mussolini's example as one which G.M./Vauxhall salesmen should emulate. 'In a general way there are spheres where all can do things more in the Mussolini manner... This lead must come from the boss or businessman, he must be ready to take the initiative, for it is he who sets the work ethic.' (2) Such words are hardly likely to come from one who would allow workers to control their jobs. Bartlett's radical right wing leanings were less overt once it became clear that war with Germany was a possibility, but the essential ideas in terms of management-labour relations remains beneath the surface. The idea of a popular and strong management leading a cooperative and contented workforce. In the 1930s this could easily be achieved by adopting policies of high wages, a group bonus system where it appeared that the men were in control of their work situation, and a profit sharing scheme. In addition he followed a policy of promoting men to positions of responsibility from off of the shop floor. Sir Reginald Pearson is a prime example. A man who left Derbyshire in search of work and began at Vauxhall on the shop floor in 1919. On his retirement he was on the board of directors and had been knighted for his services to industry. Asked why Bartlett had singled him out for promotion he replied 'Probably because I got on well with the men and was able to do the jobs of the men.' (3) Such managers as

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(1) Harold Horne interview.

(2) 'Mussolini Says' Charles Bartlett General Motors News, October, 1929.

(3) Sir Reginald Pearson Interview.

Pearson were respected by the men, not only because they could do many of the shop floor jobs but because it was clear to them that underneath the blunt truthful approach was a real concern for their welfare, and a genuine concern to see fair play. In his interview Pearson recounts a couple of instances when he had foremen removed as a result of their overbearing and dictatorial attitudes to the men. (1)

This feeling of concern was engendered by shop floor presence.

Les Cowell comments:

'I think Charlie Bartlett and Reginald Pearson are the two greatest chaps that ever worked there. Charlie Bartlett when he came round the section, he wouldn't look at a chap and say, "I don't know him." He would come and talk to everyone.' (2)

Bartlett saw social and sporting activities outside working hours as an important way of cementing the social fabric of the firm.

It was also viewed by Bartlett as a testing ground for potential promotees. Peter Vigor recalls, 'If you wanted to get on with

Bartlett you had to take an interest in the recreation club. For

example you might take up tennis and sit on the Tennis Club Committee and become chairman. This showed Bartlett that you could

organise.' (3) In the 1930s the canteen facilities and recreation facilities were expanded along with the works.

Bartlett's intelligent adaptability is clearly evidenced by the

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(1) Sir Reginald Pearson interview.

(2) Les Cowell interview.

(3) Peter Vigor interview.

the structural changes he initiated in the labour relations machinery. In the 1940s he sensed the change in the industrial atmosphere engendered by the war, and Harold Horne states:

'Bartlett delivered lectures to employers' organisations in which his ideas came out very clearly. The concept that came out at the end of the Second World War, that the workers are more knowledgeable and articulate. They will want a greater share in what goes on in the company, and if you resist there will be confrontation in which everybody will lose. (He claimed that management) must go along with the legitimate demands of the work force, and not let it develop so that it will fall into the hands of extremists.' (1)

One major result of this shift was the setting up of the M.A.C. which was to remain the cornerstone of industrial relations at Vauxhall until the late 1950s, and in 1948 Bartlett writes, 'joint consultation, in its best and fullest form, is my view, one of the inevitables: and we should be wise to see that it is really and truly joint consultation, not just a form of ceremony which will propitiate the new gods which seem to have arisen amongst us.' (2) This stronger element of industrial democracy must not, however, be confused with workers' control or even job control. The ultimate power still rested with the board, and such reforms were partly aimed at forestalling the fundamental shift of power to the shop floor.

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(1) Harold Horne interview.

(2) Bartlett op.cit. Management and Productivity p.79.

Peter Vigor, writing as editor of the 'Vauxhall Mirror', and therefore mouth piece of Vauxhall, states that if 'employees can be welded into one team, fully aware of the aim and purpose of the company, the ups and downs of industrial life can be weathered with fewer disputes and less wastage.' (1) In essence this was the Bartlett view.

#### The Influence of General Motors

The influence of General Motors on the development of Vauxhall has been seen to have been fundamental in terms of finance, production, marketing and overseas sales. How far did this influence extend to industrial relations? In essence the answer must be very little. It seems that this side of the business was left very much in the hands of the British management. This was probably due to the desire of Vauxhall to tone down the American aspects of Vauxhall, and industrial relations problems could bring the full glare of publicity on to the firm in a most undesirable way. Secondly, in all probability the G.M.Overseas Operations men felt that British managers would understand British workers far better, and thus such sensitive problems would be better left to them. The G.M.board were no doubt encouraged in this view by the profitable expansion of Vauxhall and its peaceful relations with the workforce, which was in contrast to G.M.'s own experience in the 1930s. (2)

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- (1) P.Vigor 'Putting the Worker in the Picture: The House Magazine' in (ed.) Blayney Thomas Welfare in Industry (1949) p.211.
  - (2) A.D.Chandler Giant Enterprise (New York, 1964), p.197. The United Automobile Workers held sit down strikes in G.M.'s Detroit plants, which successfully gained union recognition, but not without a great deal of bitterness and violence in 1936.



Thirdly, Bartlett was noted for his independence and Maurice Platt recalls:

'The sturdy independence natural to our Sir Charles had undoubtedly become more marked in the war years, although I remember being surprised at the off hand manner in which he treated J.D.Mooney, when J.D. visited Vauxhall in 1938.' (1)

In fact it was the wresting back of this control by Mooney's successor, Ed. Riley, which led to Bartlett's demise and the running down of the Bartlett institutions in the 1950s. Initially the disagreements centred around post-war production policies concerning car models but this was the beginning of 'a prolonged and unhappy tug-of-war ... during which neither side would give way.' (2) Riley's own determination with the weight of G.M.O.O. behind him eventually led to Bartlett being 'kicked upstairs' to the post of Chairman in 1953. (3) From that time on the American influence significantly increased in Vauxhall.

As Vauxhall developed against a background of a reviving economy during the war years and after, so too did the relations which Bartlett had nurtured. The growth in size of the Vauxhall plant, militated against intimate cordial relations on a personal level, and the M.A.C. proved inadequate to cope with the changes. In the supply scare economy of post-war Britain the shortage of labour ensured a less docile workforce, and this too was in a period in

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(1) M. Platt An Addiction to Automobiles (1980) p.148.

(2) Ibid p.148.

(3) Who Was Who 1951-60 entry on Sir Charles Bartlett.

which workers had learnt much from their experiences of the war time economy. The gradual growth of unions particularly by the late 1950s, meant the step by step replacement of the Bartlett institutions. The men looked to the example of Fords, for a Measured Day Work, a system whereby workers were paid a flat rate of pay without the inclusion of bonus rates. These, if any, were added after the basic rate had been calculated. The advantage was that men did not have to look to the bonus of the group to ensure a decent wage. The Measured Day Work rates were annually renegotiated by the unions.

An important final factor was that the American controlling company began to see the necessity of more direct involvement. The number of Americans on the board increased significantly and began to exercise very tight job control. 'They demanded the arbitrary right to speed up the production line at will.' (1) In addition the Company was at 'liberty to transfer men from one job to another, and even from the Luton factory to the Dunstable factory, (2) and there is no resistance from the union side to such transfers.' (3) In return for these controls Vauxhall continued to pay relatively high wages, with shorter hours than the engineering industry in general, and had a guaranteed working week. (4) Such a bargain could only be maintained in an expanding market, and once that expansion began to slow significantly trouble was predictable. In

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- (1) Ken Weller 'The Truth About Vauxhall' Solidarity Pamphlet No.12. Undated but from mid-1960s, pp 4,5.
  - (2) A Dunstable factory was built in the early 1950s.
  - (3) Ferdynand Zweig 'The Worker in an Affluent Society (1961) p.238.
  - (4) Weller op.cit. p.4.

1966 with the Luton factory on short time a strike occurred and workers besieged the Directors' Offices and 'cries of bloody Americans were heard.' (1) The details of this dispute lie outside the scope of this study, but what was significant was that the 'turnip patch' mentality seemed no longer to exist in Vauxhall. In concluding this chapter an attempt will be made to answer the question why was Vauxhall so tranquil in its industrial relations for so long. Firstly, the Luton economy itself was significant. Its reliance on the hat trade up to the First World War ensured little union activity and militancy. The experiences of the period from 1916 to 1921 were exceptional for Luton apart from the burning of the town hall which was not directly caused by labour problems. Militancy died as quickly as it arose. Secondly, the general state of depression which existed in the inter-war years was a general dampener on unionism in the country, particularly after the disappointments of the General Strike. Thirdly, the rapid expansion of the town due to the attraction of workers to its growing engineering and new industries ensured a constant pool of labour from which employers could draw upon up until the early 1940s. Fourthly, the paternalistic policies pursued by the Bartlett regime continued to ensure a compliant work force, whose growing demands were intelligently met and catered for by reforms to the industrial relations structure. This included high pay, relative job security, group bonus, profit sharing, union

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(1) 'Office Siege as Vauxhall Men Strike' Daily Mail 18th Oct., 1966 front page, lead story.

recognition and the setting up of the M.A.C., as well as better welfare, sporting, social and canteen facilities. In addition channels of communications were considerably improved and attempts were made to deal with potential problems as soon as they were recognised. The workers were made to feel part of the company and not mere productive adjuncts to machines. Many managers were chosen not only for their technical abilities but also for their concern and understanding of the workers on the shop floor.

Promotion was open to all and based upon ability.

One must not also forget the relatively isolated nature of Luton, which ensured that Vauxhall was insulated much more from the general influences of the engineering and motor industries, both in managerial and union terms. Vauxhall was always regarded as something on its own by other car firms.

In addition Bartlett's reign was in a period of expansion and while an upsurge of unionism did take place at Vauxhall from the 1940s, trouble inevitably begins when contraction or lack of growth thwarts the expectations of the work force. This process did not begin until the 1960s. Finally, the close cordiality of the Bartlett approach to industrial relations could work effectively in a relatively small workforce on one site i.e. about 12,000 at Luton by the time he left. By the mid 1960s that figure had jumped to over 33,000 on three difference sites. (Luton, Dunstable and Ellesmere Port). Such institutions as the M.A.C. were bound to prove less effective in such a large and geographically spread organisation.

Despite these fortuitous circumstances which coincided with his period as managing director, he was intelligent, adaptable and had

considerable fore-sight and there is little doubt that under his paternalistic tutelage Vauxhall industrial relations were exceptionally good, due in large measure to his policies. As one of his old communist protagonists Harold Horne states, 'Among British industrialists I would say he was one of the leaders in this field. He was astute and far seeing.' (1)

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(1) Harold Horne interview.

## CHAPTER SEVEN    The Growth of Luton: From Hats to Cars.

The intention of this chapter is to show how the engineering industry superseded the hat trade as the staple industry of Luton and how, because of this, the momentum of growth begun by the hat trade increased. We shall consider how employment was affected and specifically draw attention to the transition in which a predominantly female workforce was replaced by a predominantly male one. The rise of the 'new industries' and their cushioning effect on the population from the Great Depression will be seen to explain Luton's prosperous local economy from the mid-1930s. Within this general structure we shall examine the role and importance of the New Industries Committee and the extent of diversification in Luton's economy after the influx of new industries.

### The Growth of Luton to 1921:    The Hat Economy

The growth of Luton's population between 1851 and 1951 was rapid. As the table below indicates, Luton's growth was always well above the national average, and in some decades surpassed it by over 30 per cent.

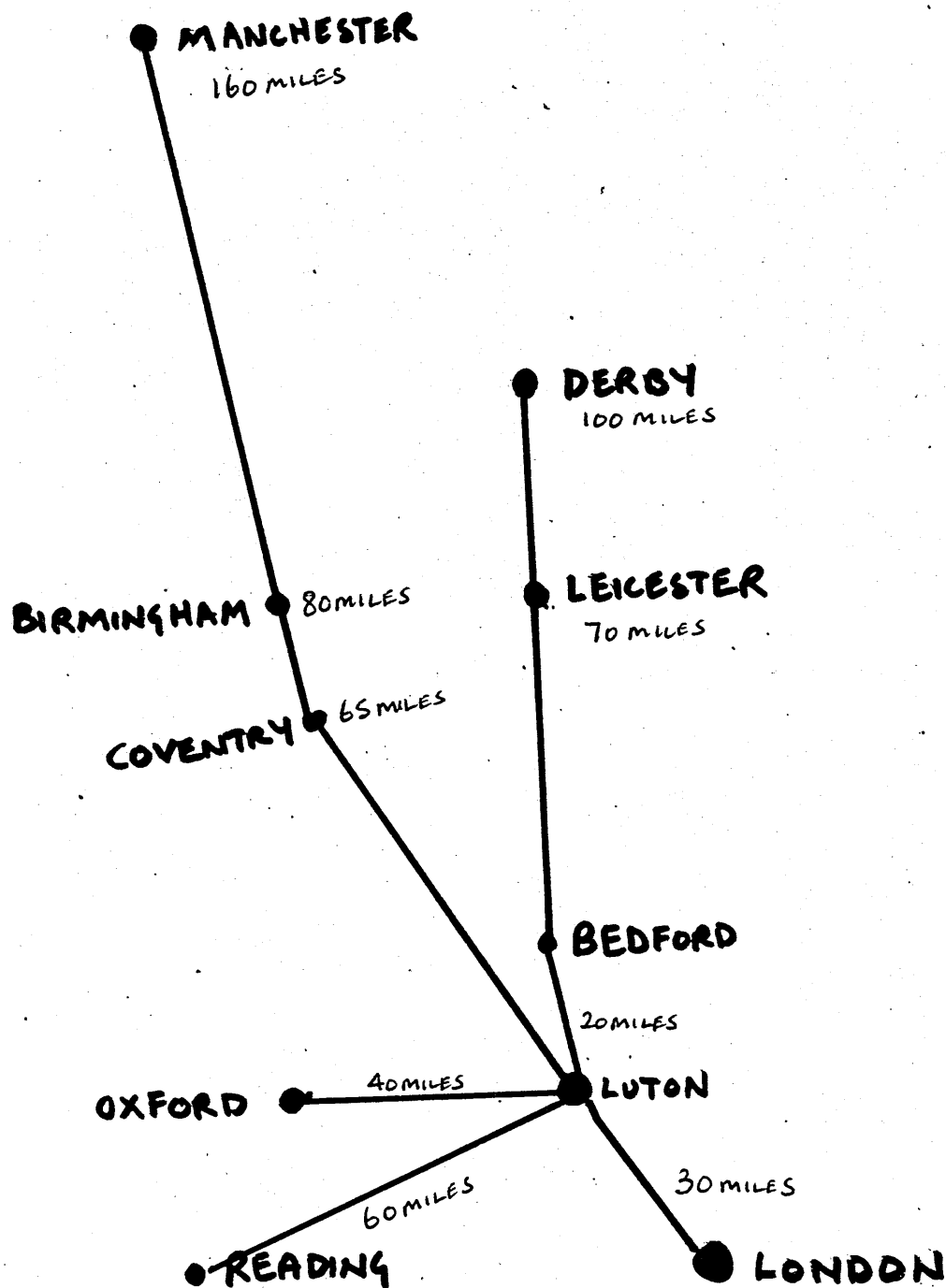
TABLE 29 Population of Luton in Relation to National Growth, 1821-1951.

<u>Year</u>	<u>Luton Pop.</u>	<u>% increase</u>	<u>% Nat.inc. England &amp; Wales</u>	<u>% inc. Coventry</u>
1821	2,986	-	-	-
1831	3,961	32	16	-
1841	5,827	47	14	-
1851	10,648	82	12	-
1861	15,329	43	12	-
1871	17,317	13	13	-4.7
1881	23,960	38	14	-
1891	30,053	25	11	-
1901	36,404	21	12	-
1911	49,978	37	10	74
1921	57,075	14	5	4.9
1931	68,523	20	5	30
1939	92,062	34	3	34
1947	106,500	15	-	-
1951	109,600	3(19% on 1939)	6(on 1939)	-

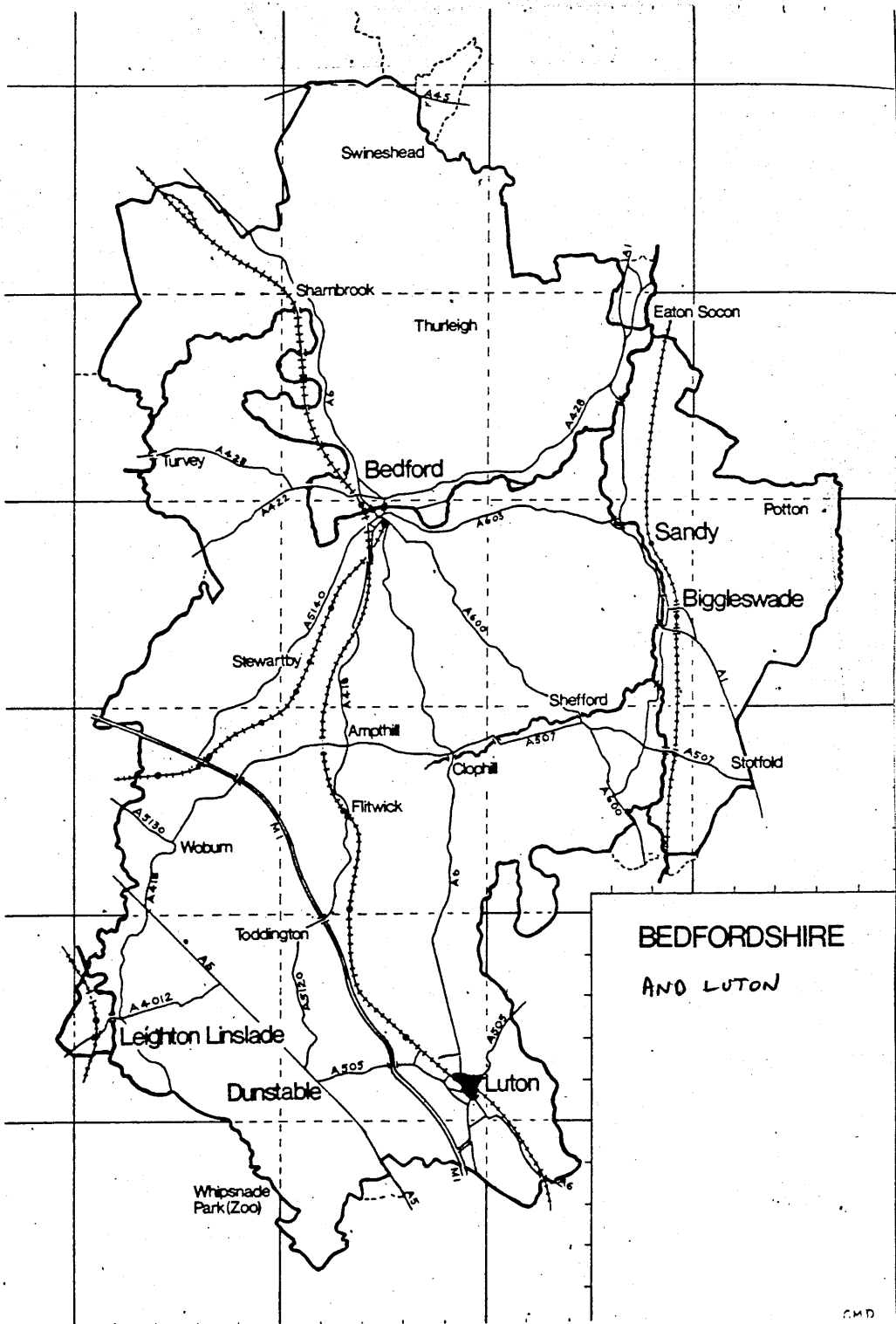
Sources: J.Dyer and J.Dony The Story of Luton (Luton 1964 3rd ed.1975) p.xic; Population Censuses for the County of Bedfordshire 1901, 1911, 1921, 1931, 1951. (H.M.S.O.); E.Sterne The County Development Plan 1952 Beds County Council. (Bedford, 1952) Table II, p.19. Calculated from C.Cook and J.Stevenson The Longman Handbook of Modern History 1714-1980. Population table pp. 86 & 97 (1983).  
Coventry Sources: A.L.Friedman Industry and Labour (1977) pp 158 & 247.

There are three periods of exceptional growth, and they all coincide with periods of increased industrial activity. The 1850s and 1860s saw the rise of the hat industry; the decade from 1901 to 1911 saw

LUTON IN RELATION TO SOME TOWNS  
MENTIONED IN CHAPTERS 7 AND 8







the establishment of many new industries in Luton, and the 1930s witnessed the expansion of these new industries, particularly that of Vauxhall. This growth was comparable to such towns as Middleborough, Crewe and Barrow-in-Furness in the 19th century. Whilst the development of these three towns rested heavily on the railways, Luton's expansion rested on the growth of the hat industry in the latter half of the 19th century, and on the arrival of engineering concerns in the 20th century.(1) Thus while the hat industry declined in the inter-war years the population growth was not adversely affected, as the predominance of engineering, particularly that of vehicle building, attained supremacy. This change in Luton's industrial structure was to have profound effects, not only on the prosperity of the town but on the balance of the labour force.

#### The Growth of the Hat Industry.

The main stimulus to the growth of the hat industry had been the imposition of tariffs during the Napoleonic Wars, which severely restricted Italian imports and encouraged the home trade. (2)

Initially the plait was mainly locally grown and made and Luton emerged as a manufacturing centre of the final product, predominantly women's bonnets. The characteristics of production were small units, most of which were housed in small workshops and were heavily reliant on

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(1) The similarities are closer between Luton's populations growth and Coventry's (another rapidly growing engineering town), which after experiencing a decrease in 1871, due to the decline of the textile industries, rose rapidly from the end of the 19th Century with the establishment and growth of the bicycle industry and motor car industry. In fact Coventry's growth was double that of Luton in the decade before 1914, though Luton's growth was comparable in the inter-war years.

(2) James Dyer and John Dony The Story of Luton (Luton 1964; 1975 3rd ed.) pp 103, 104.

female labour. By 1851 women accounted for 85 per cent of the workforce. Of the total workforce engaged in straw manufacture in Luton, 2,990 were female and 521 were male. (1) By the end of the century this imbalance between male and female employees was less marked. The 1901 Census showed that the percentage of female labour had fallen to 67 per cent., whereas the number of workers who were engaged in the hat trade had risen to over 10,000. (2) One of the main reasons for rapid expansion in the trade was the arrival of the railway. A branch line had been opened in 1858 and by 1860 connected Luton with Dunstable, to the West, and Welwyn to the East. By 1868 a direct route of the Midland Railway was constructed to London passing through Luton and eventually extending to Leicester. (3) The railway facilitated access to large markets and enabled cheaper imported plait to be used bringing cost reductions. This had the effect of curtailing plait making in rural Bedfordshire and concentrating the industry much more in Luton. Equally influential to the development of the industry was the introduction of the sewing machine, and a concealed stitch machine which invented by Edmund Wiseman in 1878, enabled high quality hat making to be mechanised. Despite the introduction of machinery powered first by steam and then by electricity, the basic structure of the trade changed little. Dony states that 'machinery, which in so

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- (1) C.M.Law 'Luton and the Hat Industry' The East Midland Geographer Vol.4, No.30 p.340, table 1, December, 1968.
  - (2) Census 1901: County of Bedford Occupation Tables, Table 35A, p.40 (H.M.S.O., 1903).
  - (3) F.G.Cockman The Railway Age in Bedfordshire (Bedford, 1974) pp. 32, 42.

many industries had forced the small manufacturers out of business and concentrated production into the hands of a few larger firms, had no such effect on the Luton hat industry.' (1) The reason was that homeworkers could use the machines just as easily as the factory workers, and thus the change from hand to machine sewing only had the effect of increasing productivity. The large number of production units continued to be the feature of the industry, and they varied in size from factories employing 200 to 300 people to semi-domestic units employing a family and one or two hired workers. In fact, the number of firms increased from about 40 in 1850 to over 400 by 1910. (2)

According to Dony, in the years up to the 1st World War 'Luton... impressed visitors with its large surplus of women and had the reputation of being a place where men were kept by the women.' (3) The population censuses between 1901 and 1921 clearly show this imbalance.

TABLE 30 Population and Workforce of Luton 1911, 1921 and 1931. (4)

<u>Year</u>	<u>Total Pop.</u>	<u>Male Pop.</u>	<u>Female Pop.</u>	<u>Male Workforce</u>	<u>Female Workforce</u>
1901	36,404	16,424	19,980	12,492 +	16,008 +
1911	49,978	23,522	26,456	18,481 +	21,320 +
1921	60,257	28,279	31,978	26,734 +	30,341 +

+ This includes unoccupied and retired.

What occupations employed the male labour force? According to the

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- (1) Dyer and Dony op.cit p.127. Dony was responsible for the chapters on Luton in the period from the 17th Century.
  - (2) C.M.Law 'Luton and the Hat Industry' op.cit p.338.
  - (3) Dyer and Dony Ibid p.128.
  - (4) Source: 1901 Census Bedford Part 1, Population Tables, Tables 35, p.40 (H.M.S.O., 1903); 1911 Census, County of Bedford Occupation Tables Table 25, p.80. 1921 Census, County of Bedford Occupation Tables Table 16, pp 21,28.

census returns, before the First World War the largest single male occupation was that of hat making. In 1911 a total of 4,125 males are given as working in the hat and dress trade and allied occupations. (1) The men tended to be owners of the firms, and all the blockmakers were men. (2) Bleaching and dyeing was also a solely male area of employment. Other hat trade employment for men was in the general fetching and carrying of materials and finished products, as well as boxing and packing. The next three largest occupations were general engineering 1,839, buildings and construction 1,565, and 'conveyance of men, goods and messages', 1,121. (3) Probably the railways took the majority of this last section. The rest were absorbed in retailing performing work in public houses and fulfilling a variety of service and maintenance functions in sundry trades. It is interesting to note that 'motor car' makers appears as a separate category for the first time in the 1911 census, and they number 666; those were almost entirely workers at Vauxhall and Commer Cars. (4) In the areas surrounding Luton males tended to work in agriculture and the growing brick industry. (5) By the late 19th Century two basic problems afflicted the hat trade; excessive productive capacity caused by mechanisation, and the effect of seasonality in the trade which led to high unemployment at certain times of the year. The effects of seasonality was lessened, to some degree, by the production of men's boaters, which were less liable

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(1) 1911 Census Occupation Tables table 24 p.79.

(2) Blockmakers made the wooden moulds which formed the basic shape of the hats.

(3) Op cit. 1911 Census, table 24, p.79.

(4) Ibid table 24, p.79.

(5) Dyer and Dony op.cit p.128.

to fashion fluctuations than women's headwear. (1) However, seasonal unemployment remained a worrying feature of the trade. The competitive structure of small units also prevented attempts at control by the employers, and ensured that the trade was incapable of solving the underlying difficulties.

The responsibility of attempting a solution to these problems, therefore, fell to bodies outside the hat trade. In 1876 Luton had been granted municipal borough status (2) and in the following year a Chamber of Commerce was founded. (3)

Both the Chamber and the Borough Council were well aware of Luton's reliance on one trade, and the problems that it would bring to the town if that industry were to suffer a decline or a depression.

These bodies felt that they could not solve the problems of the hat industry but could offer an external solution in attracting industries to the town. In 1889 a 'New Industries Committee' was set up; consisting of an equal number of representatives from the Town Council and the Chamber of Commerce; and serviced by the Town Clerk and the Secretary of the Chamber of Commerce. (4)

The civic leaders took a conscious decision to reduce the town's reliance on one trade, by attracting new industries to the town, particularly those which would employ male labour.

Thomas Keens, who had been associated with the committee from its

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- (1) D.A.Pinder 'The Luton Hat Industry. Aspects of the Development of a Localised Trade.' (Unpublished Ph.D.thesis, University of Southampton, 1970) p.77.
  - (2) Dyer and Dony op.cit p.141.
  - (3) Ibid p.143
  - (4) Luton Chamber of Commerce Journal Vol.1. No.1. December, 1919. p.4. The Luton New Industries Committee was the first of its kind in Britain.

earliest days, wrote of the aims in the Chamber of Commerce Journal:

'The Luton Chamber of Commerce was the first Chamber in the country to consider the question of systematically bringing before firms who were compelled to move out of London, or other large centres, the advantages of Luton as an industrial centre. The reasons were two fold. The hat industry by its nature, must employ a far larger proportion of women than men, therefore employment of men was required, and at the same time experience has proved that the finest class of workers come from families of the highly skilled artisan.' (1)

The last phrase meant that by attracting skilled male labour the town would attract skilled female labour as well, to supply the hat trade. In 1926 Keens re-stated: 'We have had many opportunities of getting industries which might have absorbed female labour, but the idea guiding our work was that in Luton industry absorbed very much more female than male labour.... (we) therefore endeavoured to secure such industries as would provide employment for males locally.' (2) This policy was very successful and before the 1st World War Luton attracted a number of new industries unrelated to the staple trade. The most important were engineering based and employed predominantly male labour. Before this wave of new industries hit Luton the number of firms outside the hat trade were few. Hayward-Tyler, which established a brass and iron foundry in Luton in 1871, and

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- (1) Luton Chamber of Commerce Journal, Thomas Keens 'The New Industries Committee.' August, 1922. Vol.3. No.33.p.89. See also - Thomas Keens 'The Commercial Development of Luton' Luton News 14th November, 1912, p.3.col.3.
- (2) Luton Chamber of Commerce Journal February, 1926. Vol.VII, No.75 p.41.

produced soda-syphon machinery. (1) By far the biggest firm in Luton, it employed over 500 men towards the end of the 19th Century. There was also Balmforth and Company which produced boilers and was much smaller. (2)

The first of the 'New' industries to arrive was Laporte Chemicals which transferred its concern from Shipley in Yorkshire. (3) In Luton the company manufactured hydrogen peroxide which was used in the bleaching process in the hat trade and it seems possible that this may have provided the incentive for the operation to be removed to Luton. However, the Luton plant was never reliant on the hat trade for orders and despite the rising tariff barriers expanded on the basis of a growing export trade to Europe. (4)

In 1895 a small branch of the Davis Gas Stove Company was formed in Luton and in 1907 the main part of the firm moved down from Scotland. At the time of the move 450 men were employed many coming from Scotland to become known as the 'Scotch Colony.' (5) As its name suggests, Davis mainly produced gas stoves, but it also made heating and laundry apparatus, as well as radiators and general castings. Although most of its employees were male some women were also employed. (6)

In 1902 the English and Scottish Joint C.W.S. cocoa and chocolate factory was opened, and in the following year the British Gelatine Company arrived. (7)

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- (1) Thomas Keens 'The Commercial Development of Luton' Luton News 14th November, 1912 p.3, col.3.
  - (2) Dyer & Dony op.cit p.131.
  - (3) Progressive Luton Published by The Empire Trade League. (Luton 1933) p.13.
  - (4) Ibid p.13.
  - (5) Luton News 11th July, 1907, p.5. col.4.
  - (6) Luton News 8th June, 1911 p.7, cols 3 & 4.
  - (7) T.Keens 'The Commercial Development of Luton' Luton News 14th November, 1912 p.3, col.3.



It was not until 1905 that the new engineering firms at which the New Industries Committees Location policy was aimed, began to arrive. First was the West Hydraulic Company which moved from Bradford and, of course, Vauxhall Motors, from London.

In 1906 a potential rival to Vauxhall, Commercial Cars Limited arrived. Although the new company did produce a few passenger vehicles, production was soon concentrated on commercial vehicles.

(1) Although Vauxhall was to outgrow Commercial Cars in the long run, until the 1st World War and immediately thereafter the companies employed similar numbers of employees as Table 31 indicates.

In 1906 another engineering firm George Kent Ltd., established itself in Luton after having removed from London. Specializing in the production of water meters and air, gas and steam meters, the work force comprised mainly skilled men, such as instrument makers.(2)

In 1910 Skefko Limited, later to be S.K.F., was the last of the major new industries to arrive before 1914. Part of the Svenska Kullager Fabriken Organisation (Swedish Ball-bearing Factory based in Sweden). Skefko specialised in the production of ball-bearings.

(3) Significantly, it was the first foreign-owned company to establish itself in Luton. There were a few smaller engineering concerns but they were not to assume much importance to the growth of the Luton economy.

A testament to the importance of the railway as an attraction to

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- (1) Progressive Luton op.cit p.19; H.G.Castle 'Britain's Motor Industry (1950) p.189; Luton News 11th August, 1911,p.7.Col.4.
  - (2) The George Kent Centenary George Kent Ltd (Luton,1938) pp 14,15; 'The George Kent Group 1838 To Today' (Typescript, Kents 1978) p.1.
  - (3) Progressive Luton op.cit p.25; 'The History of SKF (U.K.) Limited.' (Typescript 1979) p.1.

these industries was the fact that most of them acquired sidings adjacent to the main lines. By 1914 the stirrings of change to the structure of the Luton economy had begun. When measured by the number of people employed, a pattern emerges of a number of relatively small, but rapidly growing concerns.

TABLE 31 Size of Major Non-Hat Firms in Luton to 1914 (1)

<u>Year</u>	<u>Davis</u> <u>Gas</u>	<u>SKF</u>	<u>Kents</u>	<u>Laporte</u>	<u>Commer</u>	<u>Hayward-</u> <u>Tyler</u>	<u>Vauxhall</u>
1907	450			(1898 c.25)	208	500	200
1911	700	150			500		500
1912	900	200	350				560
1913	1,000	250		(1924- 274		600	575

Dony's rankings places Hayward-Tyler as the largest non-hat firm, (2) but the evidence above clearly shows that Davis was already larger than Hayward-Tyler by 1911, and the two vehicle producers were close behind.

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- (1) Source:  
 Davis - Luton News 11th July, 1907, p.5. col.4; 'Luton's Biggest Industrial Concern', Luton News 8th June, 1911 p.7, cols 3 & 4; Luton News 29th January, 1914 p.6, col.3.  
 SKF - History of SKF (U.K.) Ltd op.cit p.1; Luton News 28th April, 1932. p.8, col.3. Review of company.  
 Kents - The George Kent Centenary op.cit p.16.  
 Laporte - Laporte Quarterly Spring, 1976 p.3; Luton News 14th August, 1924. p.7, col.1.  
 Commercial Cars - Luton News 11th July, 1907, p.5, col.4; Luton News 17th August, 1911, p.7, cos 4 & 5.  
 Hayward Tyler - Dyer and Dony op.cit pp 130, 154.  
 Vauxhall - 'Vauxhall Facts and Figures' op.cit.  
 (2) Dyer and Dony op.cit p.154.

In order of size of workforce, the six main firms were Davis, Hayward-Tyler, Commer and Vauxhall, Kents and Skefko. Each was larger than the largest single hat firm, which Law estimated as employing 300 to 400 workers. (1)

However, the hat trade as an industry was to remain important in Luton until the 2nd World War. In 1911 nearly 44 per cent of the total workforce and 72 per cent of all employed women were engaged in the hat trade. (2) By contrast the seven largest non-hat trade firms shown in Table 28 employed no more than 3,500 workers which accounted for less than 14 per cent of the total occupied workforce, and even including the few women which were employed by these firms only accounted for 22 per cent of the total male occupied population. (3)

The 1st World War gave a huge impetus to the engineering trade, and Skefko, Kents, Commer and Vauxhall received war contracts which necessitated considerable expansion. Skefko was employing nearly 7,000 workers at the height of the war (4) and Kents over 8,000. (5) A large shell filling factory was also built at Chaul End and the town witnessed the arrival of the first aircraft factory in the shape of Hewlitt and Blondeau. (6) The effect was to strengthen the position of the female workforce as they were required in the labour short economy, and many were attracted away from the hat trade by higher wages and regular employment. The hat trade, although

(1) Law 'Luton and the Hat Industry' op.cit o.338.

(2) Census 1911. County of Bedford. Occupation Tables Table. 25, p.80. (H.M.S.O.1914)

(3) Calculated from Ibid Census 1911, Occupation Table 25, and Table 28 p.187.

(4) Luton News 15th January, 1920 p.4, col.5.

(5) The George Kent Centenary op.cit p.16.

(6) 'Aeromania' Flight 11th June, 1915, p.419.

not hampered by government restrictions was often short of materials and always short of labour and lost many of its overseas markets. (1) It never regained its previous position. Although the engineering industry declined from its war time output, at no time was reduced to its pre-war level.

The predominance of women is also clearly reflected in the arrival of union militancy when in 1916 the women munition workers at Chaul End struck for better pay and conditions.(2) This was an indication of their awareness of their importance to the war effort.

At the end of the war there was a sharp decline in female labour as the men returned from the war and sought employment. The trend was a national one but Luton shared this experience, particularly the resentment by some men who accused women of preventing them from gaining employment in the traditional male occupational preserves such as engineering. In 1919 and 1920 the Luton News had regular references in its editorial and letters columns to this ill feeling.(3) The decline of the war-time peaks in female employment in Luton are evidenced by the 1921 Census returns. Though the potential female workforce actually had increased from 20,629 in 1911 to 24,417 in 1921, the numbers actually engaged in occupation had slightly declined from 10,286 in 1911 to 10,057 in 1921. (4) Even female employment in the hat trade seems to have declined in these ten years from 7,411 in 1911 to 5,992 in 1921. (5) The picture is complicated,

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(1) Dony and Dyer op.cit p.169.

(2) See Chapter 5.

(3) 'Industrial Report' Luton News p.4 col.5. for example. 30th Jan., 1919. also Letters from disgruntled unemployed men in Luton News 8th, 15th and 22nd April, 1920. Letters columns.

(4) Source: Census 1911, Occupation Tables, table 25, p.80; Census 1921 County of Bedford. Occupation Tables, Table 16, pp 21-28.

(5) Ibid.

however, by the depression in 1921 and the census of that year shows almost 14,500 women in Luton either retired or unoccupied. (1) Dohy's description of Luton at the end of the First World War as an engineering centre (2) might be taken as implying the concomitant decline in female employment in the local economy, but this would be an erroneous interpretation of the effect of engineering expansion in Luton during the war.

By comparison with the Midlands Luton was still a small centre of engineering in 1920 when the hat trade continued to predominate in terms of employment. In 1911 2,505 workers were employed in general engineering and machine making (including cars) (3), by 1921 that number had risen to 4,496, (4) but the 1921 figure still only represented 16 per cent of the total occupied Luton workforce, and 24 per cent of the total male occupied workforce. (5) In fact, the 1921 depression and its after effects hit the engineering industry very severely in Luton and for the first few years of the 1920s contraction occurred when firms such as Vauxhall, Commercial Cars, and Hewlitt and Blondeau struggled for survival. (6)

The hat industry, by contrast, seems to have succeeded in weathering the depression for in 1921 the Luton News reported that the 'Straw Trade was having a good time.' (7) Unemployment tended to be less on average than in engineering and women's unemployment was always well below that of the men. Nevertheless, some caution should be

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(1) Census 1921, County of Bedford Occupation Tables Table 16 pp 21-28

(2) Dyer and Dohy op.cit p.169.

(3) Census 1911 Occupation Table op.cit.

(4) Census 1921 Occupation Table op.cit.

(5) Calculated from 1921 Census Occupation Table op.cit.

(6) Hewlitt and Blondeau went into liquidation in 1919 see 'Aeromania' in Flight op.cit. Commercial Cars was in financial difficulties from 1920 and went into the hands of the receiver in 1924. Until 1926 it continued production in a small way run by the receiver when it was purchased by Humber, and later absorbed by the Rootes Group. See Luton News 10th July, 1924 p.13, col.1. and Progress Luton op.cit p.19

(7) Luton News 12th May, 1921 p.2.

used in making bold statements based on such information.

Seasonal unemployment still remained in the trade, adding to the overall register from June to August and to a greater degree from November to the beginning of January, periods when the trade was traditionally dull. In addition, some women would not register as unemployed and therefore accurate statistics for comparison are lacking. Nevertheless, the following returns from the Luton Employment Office give some indication of the relative effects of the depression on the hat and engineering trades.

TABLE 32 Unemployment in Luton 1920-1924.

<u>Month</u>	<u>Year</u>	<u>Men</u>	<u>Women</u>	<u>Total</u>	<u>Engineering</u>	<u>Hats</u> (9)	<u>Total % Unemployed</u>
Sept.	1920	474	60	534	150	100	3.0 (1)
Jan.	1921	2,761	394	3,155	N.A.	N.A.	14.0 (2)
May*	1921	3,029	637	3,666	N.A.	N.A.	(18.0)* (3)
Nov.	1921	2,610	570	3,180	1,456	530	16.0 (4)
Feb.	1922	2,909	309	3,218	1,500	N.A.	14.2 (5)
Sept	1923	1,109	801	1,910	N.A.	N.A.	8.2 (6)
May	1924	814	179	993	225	242	4.3 (7)

\* Highest figure was recorded in April, 1921 which was 4,140. (8)  
This was 18.0 per cent of the workforce.

It can be seen that unemployment among women was always much lower than that of men, and in the hat trade was much lower than that in engineering. It was not until 1924 that unemployment in both trades

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- (1) Luton News 'Luton Unemployment' 30th Sept., 1920 p.5, col.6.
  - (2) Luton News 'Unemployment Figures' 27th January, 1921 p.5, col.5.
  - (3) Luton News 'Luton Unemployment Figures' 26th May, 1921 p.6, col.6.
  - (4) Luton News 'Luton and District Unemployment Committee' 17th Nov., 1921, p.7, col.4.
  - (5) Luton News 'Unemployment Figures' 9th February, 1922 p.6, col.6.
  - (6) Luton News 'Unemployment in Luton' 20th September, 1923, p.9, col.4.
  - (7) Luton News 'Unemployment on the Downward Path' 15th May, 1924, p.9, col.1.
  - (8) Luton News 'Employment in Luton' 28th April, 1921 p.7, col.5. No breakdown of male and female given, nor occupational breakdown of figures.
  - (9) Luton News 13th April, 1922, p.5, col.3.; 20th Sept., 1923 p.9 col.5; 15th May, 1924 p.9, col.6.

was roughly equal and by that time engineering was fully emerging from the depression. In many respects then the hat industry actually cushioned the effects of the depression to some extent. Had engineering been less prominent in the post-war years Luton would have suffered far less severely from the effects of the depression. " As it was, the peak of 1921 accounted for 18 per cent of the insured Luton workforce, whereas the national peak never reached 17 per cent(1) in that year.

The Luton Economy 1921-1950: The Rise to Predominance of Engineering.

In the first section of this chapter we have seen how the hat industry grew in the 19th Century, and at the same time gave rise to concern over Luton's total reliance on one trade. The New Industries Committee which was formed in 1889 to absorb male employment and to diversify the town's industrial base, succeeded in attracting a considerable number of new industries before the First World War. The inter-war years continued to witness their considerable growth, and the far sighted policies of Thomas Keens and others were to see engineering rise to preeminence and while the hat trade returned to pre First World War levels in the 1920s, it was to experience a relative decline in the 1930s as Table 33 reveals.

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(1) Stephen Constantine Unemployment Between the Wars (1980) p.3.

TABLE 33 Insured Workforce and Occupied Workforce in Luton 1901-1948.

<u>Year</u>	<u>Hats</u>	<u>% of total w/f</u>	<u>Engineering</u>	<u>% of w/f</u>	<u>Vehicles</u>	<u>% of w/f</u>	<u>Total Eng/vehicle</u>	<u>Vauxhall % of w/f</u>
1901	10,080	53	1111 <sup>a</sup>	5.8	-	-	-	-
1911	11,536	44	2505 <sup>a</sup>	9.5	-	-	-	1.9
1921	8,717	30	4496 <sup>a</sup>	16.0	-	-	-	4.2
1931	11,515	32	4259 <sup>b</sup>	11.9	2,500	7.0	19	6.8
1939	11,700	24	6883 <sup>b</sup>	14.0	10,442	21.0	35	18.5
1945	2,111	5	12,089 <sup>b</sup>	28.0	13,545	31.0	59	27.2
1951	5,763	9	13,575 <sup>c</sup>	21.6	13,993	22.3	44	19.2

a = vehicles included; b = separate from vehicles; c = separate from vehicles but includes aircraft.

Sources; Census 1901 County of Bedford Occupation Tables, Table 35A, p.40.  
 Census 1911 County of Bedford Occupation Tables, Table 24, p.79.  
 Census 1921 County of Bedford Occupation Tables, Table 16, pp.21-28.  
 Census of England and Wales 1931 Industries and Classification Tables Vol.III, Table 2, pp.13-19.  
 Vauxhall Facts and Figures' (Vauxhall Motors, Luton, 1966) pp. 2.3.

By the mid 1920s Luton and the country in general were experiencing a spurt of industrial growth as the worst excesses of the post-war depression were left behind. New industries began to arrive in Luton once again. In 1926 the Swedish firm Electrolux established its main British base in Luton; (1) in 1925 the Cundall Folding Machine Company set up a factory; (2) and in 1929 the chemical firm of Alcock (Peroxide) Limited established itself in Luton. (3) Cundall and Alcock were not large concerns but Electrolux was to

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- (1) Luton Chamber of Commerce Journal February, 1926 p.42.  
 (2) Progressive Luton The Empire Free Trade League (Luton, 1933) p.13.  
 (3) Ibid p.32.



to witness considerable expansion, particularly in the 1930s, when the growth of the consumer goods market induced rising sales of products such as refrigerators and vacuum cleaners including those produced by the Luton companies.

The production of motor vehicles, ball bearings, domestic consumer durables, and chemicals all enjoyed a considerable expansion, particularly after 1934 when the worst of the depression had passed. Towns such as Luton, Coventry, Oxford and Birmingham, together with suburban London areas which contained new industrial estates near main arterial roads participated in this prosperity, and were in stark contrast to the depressed regions in the North, South Wales, and Scotland, which languished in depression until the onset of war. Luton exemplified this new growth and the depression was in many senses an unfortunate interlude in its rapid growth. The one drag on the prosperity of Luton was the hat trade which began to experience serious difficulties in the 1930s. In terms of its work force it experienced only a slight decline in numbers and it appeared to be static but this hid a multitude of structural faults, which were to ensure that it never re-emerged as the largest single industry in Luton after the Second World War.

The largest single concern in Luton was Vauxhall Motors which had enjoyed that status since the early 1920s and after it was acquired by General Motors in 1925, and re-organisation and expansion had taken place after 1929, that lead was to grow significantly as the following table reveals.

TABLE 34 Size of Luton Firms 1919-1950.

<u>Year</u>	<u>Davis</u>	<u>Skefko</u>	<u>Kents</u>	<u>Laporte</u>	<u>Electrolux</u>	<u>Vauxhall</u>
1919	-	775	1,114	-	-	1,023
1921	-	1,000	-	-	-	1,210
1924	-	1,000	-	271	-	1,750
1926	-	-	-	-	300	1,934
1933	-	-	-	400	700	5,200
1934	-	1,700	-	-	-	6,352
1935	2,000	-	-	-	-	6,726
1936	-	2,000	-	-	1,500	7,660
1938	-	-	1,750	-	-	8,589
1950	1,800	3,000	3,000	-	2,000	12,659

Sources: Davis: Luton News 3rd March, 1935, p.7, col.5; Beds. Engineering Employers Association Minute Book, 16th Nov., 1950.

Skefko: Luton News 15th Jan.1920, p.4, col.1. For 1921 and 1924, 'A History of SKF (UK) Ltd' (Typescript, P.R. Dept, 1979) p.2 and p.4 for 1934. Luton News 3rd Dec., 1936, p.10 col.1.

Kents: The George Kent Centenary, 1838-1938 (Kent Ltd. Luton, 1938) p.23. Luton News 22nd September, 1949 p.2.col.3.

Laporte: Luton News 14th Aug., 1924, p.7. col.1 Progressive Luton Empire Trade League (Luton, 1933) p.31.

Electrolux: 'Electrolux Limited: Historial Notes' (Typescript, p.r. Dept., 1977) p.2.

Vauxhall: 'Vauxhall Facts and Figures' op.cit pp 1,2.

In 1933 the Luton Town Clerk declared that 'Vauxhall Motors was a very great asset to the town and 10,000 people or 12 per cent of the population, were dependent on them.' (1) By 1938 Vauxhall had a larger workforce than the next five largest firms in Luton combined. If Commer Cars is added, (unfortunately there are no records of their workforce in this period) it can be seen that Luton was becoming

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(1) Luton News 21st September, 1933, p.5, col.1.

reliant on engineering and particularly upon vehicle production. Indeed, concern was felt that Luton was moving from the original concept of the New Industries Committee as a town with diversified industry to one reliant on two industries - hat-making and vehicle building. It is not surprising that such worries were aired during the motor vehicle slump of 1938 which temporarily raised unemployment levels in Luton. (1)

Vauxhall's central position in the Luton economy tends to overshadow the impressive performance of the other new industries.

Skefko's workforce doubled between 1924 and 1936. (2)

Electrolux expanded similarly and its work force grew from 300 people in 1926 to 700 in 1933 and 1,500 in 1936 - a five fold increase.

Much of the growth occurred after 1933. (3)

George Kent also witnessed expansion in the inter-war years, though on a more modest scale than the above firms. This was partly due to the fact that it was the largest single concern in Luton at the end of the First World War, and that its products - water, gas and steam meters - would never achieve the mass market demand of consumer durables as motor vehicles and vacuum cleaners. Nevertheless, its work force increased by 57 per cent between 1919 and 1938. (4)

Laporte, the chemical firm, had been less severely affected by the depression in the early 1920s, but also experienced an upsurge in this period. Its work force increased by 47 per cent to 400 between

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(1) Luton News 3rd February, 1938 p.10, col.4.

(2) See Table 33, p.231.

(3) See Table 34, p.233.

(4) Ibid

1924 and 1933. (1) Although small compared with the major Luton engineering firms it was a less labour intensive industry, and its annual net profits increased impressively from £18,000 in 1928 to £107,000 by 1939. (2) The relative importance, as employer of the Davis Gas Stove Company, Luton's largest single concern on the eve of the First World War gradually declined.

TABLE 35 The Five Largest Firms in Luton 1900-1950 (In order of size)

<u>Year</u>	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>	<u>5th</u>
1900-1914	Davis	Commer/ Vauxhall	-	Kent	Skefko
1920s	Vauxhall	Skefko	Davis/ Kent	-	Commer
1930s	Vauxhall	Skefko	Davis	Kent	Electrolux
1940s	Vauxhall	Skefko	Kent	Electrolux	Davis

Source: Based on the statistics in Table 30.

Aircraft manufacture was to re-establish itself in Luton with the arrival of Percival Aircraft in 1936 which specialised in the production of light aircraft. (3) The factory was based at Luton Airport and initially employed 250 workers, rising to 400 in 1939, and 1,500 by 1950. (4)

The expansion of the new industries, and particularly that of Vauxhall was to turn Luton into a predominantly engineering town. The trend was accelerated by the drastic decline of the hat trade in the Second World War. It was not regarded as essential war work, and it emerged

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(1) See Table 34, p.233.

(2) Luton News 16th May, 1929, p.4. col.5: Ibid 6th June 1940, p.2, col.6.

(3) The History of Percival Aircraft Limited Hunting Group (Aylesbury, 1951) p.8.

(4) Ibid pp 1,2,3,4.

from the war with only a fifth of its 1939 work force. Though its work force almost trebled between 1945 and 1948, the old staple was never again to assume the important position it had enjoyed in previous decades.

Vauxhall's importance in the post-war economy cannot be overstressed, it accounted for over a quarter of the insured workforce, and indirectly many engineering and other concerns were reliant upon the firm for business and in 1945 engineering reached a war time peak of 59 per cent of all Luton employment, and after the drop in war time activities, still accounted for 44 per cent of the Luton workforce. In drawing up the County Development Plan in 1952, its author noted that 'Luton depends on the prosperity of engineering and motor vehicle building.' (1)

#### The Influence of the 'New Industries': Migration.

One consequence of the radical change in Luton was a rapid growth in population during the 1930s, a considerable proportion of which was attributable to migration. The phenomenon was shared with other towns where new industries were located, for example, Oxford, Coventry and the London region.

Nationally two trends were taking place: one was a marked shift of population away from town centres towards the suburbs; the second was from the depressed regions, where the old staple industries of the 'Industrial Revolution' were located, to the South, where superior

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(1) E.Stern The County Development Plan 1952 Beds. County Council (Bedford 1952) p.31.

employment opportunities in the 'new industries' attracted migrants. London experienced the convergence of these two flows on the outer edge of the region, (1) and Luton was also in the mainstream of these influences. Between 1931 and 1937 the population of Britain rose by  $7\frac{1}{2}$  per cent, but London and the Home Counties experienced an increase of 18 per cent.(2) Despite these marked trends in population distribution closer examination reveals that internal migration was not particularly high by comparison with the 19th century, and exercised less of an effect in evening out the incidence of unemployment than might have been expected. (3) Oxford, for example, attracted far more workers from the surrounding areas than it did from the depressed regions. Forty-three per cent of all insured male adults in Oxford in 1936 came from other parts of the country and of these less than a quarter came from Wales and the North.(4) Statistics for Luton confirm a similar picture. In 1945 it was calculated that 54 per cent of the population was born outside the town and, as the following table indicates, only 13 per cent came from the depressed regions.

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- (1) D.H.Aldcroft The Inter-War Economy: Britain 1919-1939. (1970; 2nd impression paperback, 1973) pp. 98,99.
  - (2) Ibid p.102
  - (3) S.Glynn and J.Oxborrow Inter-War Britain: A Social and Economic History (1976) pp.208,209.
  - (4) Aldcroft op.cit pp97, 98.

TABLE 36 Birth Place of Total Luton Population 1945.

<u>Place of Origin</u>	<u>Number</u>	<u>% of Total</u>
Scotland	3,140	3
Wales	3,170	3
North	7,216	7
Midlands	4,901	5
East Anglia	2,611	3
South West and others	3,470	3
London	12,108	12
Remainder of S.East	11,448	11
Bedfordshire	7,500	7
Luton	47,881	46
<u>Total</u>	<u>103,445</u>	<u>100</u>

} Depressed areas  
total = 13 per  
cent.

Source: F.Grundy and R.Titmus Report on Luton (Luton, 1945)  
Table VIII, p.119.

By far the largest number of migrants originated from London, the South East, and Bedfordshire and collectively accounted for 30 per cent of Luton's total population.

Grundy and Titmus refer to a feeling held by contemporaries that most newcomers to the town were of Scottish, Welsh and North Country origin, and explain that 'the popular misconception has probably arisen because these men and women are conspicuous by reason of their alien accents, whereas newcomers from the county and the South East pass unnoticed.' (1) An additional factor was that many more migrants entered the town than actually stayed, and it is known from studies of other areas that many migrants either moved on or returned to their places of origin, unable to adopt or adapt to the new area.(2)

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(1) F.Grundy and R.Titmus Report on Luton (Luton, 1945) p.118.

(2) G.Daniel 'Some Factors Affecting the Movement of Labour' Oxford Economic Papers 1940, pp. 165,171. Those returned tended to be older men, beyond the age of 30 and usually married.

The Luton News noted this trend by the end of the 1930s, and stated that the town had 'now largely become a port of call instead of the main objective.' (1)

In towns such as Oxford, Coventry and Luton migrants found work primarily in the motor trade and in the industries connected with it. This was because it was the fastest growing sector of industry in these towns. Much of the migration was through individual or collective efforts, although state schemes existed to help people, particularly the young, to settle in growth areas. (2) Hearsay, letters home, and word-of-mouth were more important than official channels. Fred Smith, for example, who came to Luton from Swindon in 1935, had heard through friends and contacts in Swindon that work was to be had at Vauxhall, and many people who came from his own street in Swindon found work in Luton. (3) By 1938 the Welsh in Luton were numerous enough to establish a Welsh Society, part of whose proceedings were conducted in their native language. (4)

The preference of Vauxhall in employing migrant labour highlighted the fundamental differences in structure between the 'New industries' and the hat trade. Vauxhall preferred migrant labour because it was more reliable as a workforce needing employment all the year, and having no attraction to work in the hat trade during the busy seasons. The 'new Industries' had never really settled amicably within Luton next to the hat trade. The unorganised nature of the

(1) Luton News 11th May, 1939, p.11.col.4.

(2) Aldcroft op.cit.p.101

(3) Interview Fred Smith, taped and typed 17th March 1980, p.5.

(4) Luton News 3rd March, 1938, p.10, col.4.



hat trade, its small units of production, its seasonal nature and lack of regimentation in the work place did not suit the new industries whose modern forms of production needed greater control of their workforce towards large scale organised machine production. The hat trade in Luton had some, similarities with the early textile industries of the 18th Century, using partly domestic production and partly small factory units. Work was taken up or stopped at will, and it was common for hat trade workers to cease production for an hour to read the local paper when it arrived.

Women home workers organised their work around family activities, when children were at school or after the evening meal was finished.

(1) The factory work of the new industries required much more regimentation and control. Clocking-in and clocking-out, set times for breaks, control of output on an hourly basis, and factory discipline all had the affect of making work in the new industries less attractive to many hat trade workers. In addition Vauxhall had unfortunate experiences with hat trade workers who took up employment, only to leave when the hat trade season resumed.(2)

Thus although hat trade workers were not excluded, Vauxhall preferred migrant labour, and hat trade workers generally preferred their own trade, although each made use of the other when necessary. In addition there were comparatively few openings at Vauxhall for

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- (1) I am grateful to Dr.Dony for this information on hat workers conditions. He is the acknowledged authority on the Luton Hat Trade. The information was given in a taped interview.
- (2) F.A.Acres, the Production Manager of Vauxhall, wrote to the local paper stating 'that the experience of Vauxhall Motors Limited in employing out-of-work hat trade operatives is very unfortunate in as much as the hat trade busy season commences at about their busiest time, so that any such operatives they may have engaged earlier in the season and trained to their work, leave them when they have most need of their services.' Luton News 14th November, 1929, p.6, col.5.

women until the Second World War. Therefore these conditions largely affected male hat workers who were in a minority of 3 to 1 in the inter-war years.

The flow of migrants into the motor car industry has given rise to debate concerning their influence on unionisation. It has been suggested that workers particularly from the depressed regions brought with them strong union traditions which played a significant role in unionising the industry. (1) This has been denied as a main motivating factor. (2) The debate has particularly centred on Oxford and Coventry, and it is intended to examine whether the Luton experience conforms with either of these views.

The Pressed Steel strike at Oxford in 1934 has been presented as the result of organisation chiefly by workers from the depressed areas; the two main strike leaders had been members of the South Wales Mining Federation. (3) However, Lyddon has argued that the role of the Communist Party and its organisers from London were more significant in directing and expanding the strike. (4) Of the Welsh who migrated to Oxford only 60 to 70 per cent came from the South Wales coal field area, and only 20 per cent of those came specifically from the Rhondda Valleys which were a stronghold of militant trade unionism. (5) The Welsh in Coventry represented only 3 per cent of the adult males in the aircraft and motor industries

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- (1) J. Zeitlin 'The Emergence of Shop Steward Organisation and Job Control in the British Car Industry: A Review Essay.' History Workshop Journal Autumn 1980, No.10, p.126.
  - (2) D. Lyddon 'Workplace Organisation in the British Car Industry. A Critique of Jonathan Zeitlin.' History Workshop Journal Spring, 1983, No.15, pp. 133, 136.
  - (3) Zeitlin op.cit p.127.
  - (4) Lyddon op.cit p.135.
  - (5) Lyddon ibid p.134.

of whom a quarter were migrants.(1) Lyddon emphasises the youth of the migrants many of whom 'had never, or only briefly worked in the mines, because of the chronic unemployment in the South Wales coal field,' and he further states that 'lodge officials, unemployed activists and communists stayed and fought in their own communities.' (2)

The Luton experience would seem to corroborate Lyddon's view. The Welsh represented only 3 per cent of the entire population of the town by the end of the 1930s,(3) and as we have seen the arrival of considerably more from other depressed regions (13 per cent in total) had little effect on the 'turnip patch' mentality of the Vauxhall workforce. One Vauxhall militant has estimated the extent of unionisation among the semi-skilled as having been less than 3 per cent, and about 40 to 50 per cent in the skilled areas, when he began work there in 1938.(4) Zeitlin admits that 'it should not be thought that Welsh immigration automatically led to industrial militancy,' and mentions Slough 'where Welsh migrants were overwhelmingly single men working in Government Training Centres and no stable community developed.'(5) He also cites Luton and Vauxhall Motors as another example. Richard Whiting believes that militancy and unionisation may have varied because of different conditions prevailing in the car factories themselves. (6) There is much

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(1) Lyddon op.cit. p.135.

(2) Ibid p.134

(3) See Table 35, p.235.

(4) Interview Tom 'Jock' Adair 1st April, 1981. Taped and typescripted p.10.

(5) Zeitlin op.cit p.128

(6) R.C.Whiting 'The Working Class in the 'New Industry' Towns Between the Wars. The Case of Oxford.' Unpublished Oxford Ph.D. Thesis (1977) pp 292-295.

evidence to support this view in the Vauxhall case, and as we saw in Chapter 6 Charles Bartlett pursued a policy of enlightened paternalism whereby lay-offs were kept to the minimum, opportunities to earn relatively high wages under group bonus were increased, which contrasted vividly with the Morris factories in Oxford. The Lyddon-Zeitlin argument centres on the influence of migrants in the inter-war years, but in Vauxhall the beginnings of growth of unionisation began in the Second World War, and the leaders of this movement in the semi-skilled areas were all immigrants to Luton. Tom 'Jock' Adair was born in Glasgow, who worked as painter and decorator, in the building trade, arrived in Luton in 1937 and began at Vauxhall in 1938. (1) Don 'Jock' Smith was born in Kerry Muir in Scotland, who moved to Bedford in 1936 and also worked in the building trade before taking up employment at Vauxhall after moving to Luton in 1938. (2) Russell 'Taffy' Jones originated from Mountain Ash in South Wales. (3) Alec Tuckwell came from a strong trade union background on the railways in Swindon, as had Fred Smith mentioned earlier, (4) and Harold Horne originated from London, having worked for London Transport, then at Hemel Hempstead, before joining Vauxhall in 1940. (5) These five militants thus shared the common experience of movement to Luton in search of work, and Communist Party affiliations. None came from mining backgrounds and four had been

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- (1) Interview Tom Adair.
  - (2) Interview Don Smith.
  - (3) Mentioned in Don Smith interview as one of the militants in the A.E.U.
  - (4) Mentioned as one of the main leaders in the A.E.U. by Tom Adair.
  - (5) Interview Harold Horne.

engaged in trades noted for their lack of unionisation.

While the evidence would seem to substantiate Lyddon's argument there is obviously some connection with migrants and unionisation in Vauxhall. Three of the five came from depressed regions noted for large scale unemployment, and Tom Adair and Don Smith both attest that this had a fundamental impact on their political leanings.

(1) Alec Tuckwell moved from Swindon, a town suffering from the decline of the railways, and where depression was undermining the strong union presence within the railway workshops there. Their socialist conscience was created out of the resentment of the humiliation that unemployment brought, as Tom Adair states: 'the unemployed were regarded as industrial scrap.' (2) That no Lutonian is mentioned as having played a key role in Vauxhall unionisation is scarcely surprising as Luton was a town where unionisation had always been weaker than in the areas whence these men originated.

The main problem of the Zeitlin-Lyddon argument is one of periodisation.

By emphasising unionisation in the 1930s only, the important subsequent developments in the war years are ignored. Thus while the Luton evidence would suggest that migrants had little impact on unionisation in the 1930s, the growth of unionism in the 1940s is seen to be stemming from the efforts of the migrants.

The onset of war radically altered the labour market to one where by 1941 there was a shortage of workers, and this combined with government encouragement of worker participation through works

(1) Interview Don Smith and Tom Adair.

(2) Interview Tom Adair.

(3) Zeitlin op.cit.p.126.

committees created the pre-conditions favourable for men such as Harold Horne, Alec Tuckwell, Tom Adair and Don Smith to recruit into the unions. The Luton evidence would seem to suggest that by concentrating the debate in the 1930s a full picture cannot emerge. It is indisputable that migrants played key roles in Vauxhall unions, but only in the labour short economy of the 1940s which was conducive to greater union activity.

#### The Decline of Female Labour: The New Industries Committee's Aims Achieved?

This chapter began with an examination of the role of women labour in the Luton economy, and it demonstrated how their predominance in the staple industry caused sufficient anxiety to stimulate the setting up of a New Industries Committee to attract firms which would employ mostly male labour. It is the intention of this concluding section to examine how women were affected by the rise of new industries and the decline of the hat trade, and whether the aims of the New Industries Committee were achieved in the long term. Reference has already been made to the structural weaknesses which the hat trade began to experience in the 1930s, and while the employment levels declined only slightly, beneath this were concealed real difficulties. The major symptom was the increase in seasonal unemployment, for while the number of workers engaged in the trade fell from 13,550 in 1933 to 11,717 in 1939(1) unemployment peaked at 4,109 of which nearly 3,500 were women; giving a 34 per cent

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(1) J.G.Dony A History of the Straw Hat Trade (Luton, 1942) appendix table unemployed in the hat trade p.198.

unemployment rate for the trade as a whole, and 29 per cent for women. It was thus the hat trade that was a restriction on the prosperity of Luton at a time when the new industries were enjoying a considerable expansion.

The pattern of the Luton economy had thus changed significantly by the 1930s, and while the hat trade had cushioned the effects of the early 1920s depression, the new industries, and Vauxhall in particular enabled Luton to weather the 1930's depression.

A declining hat trade inevitably worsened employment opportunities for women. Graph 3 illustrates the unemployment levels in Luton in the 1930s. Female unemployment (indicated in red ink) rose significantly from 1935.

Winter rises continued in the succeeding three years, reaching a peak in the Winter of 1938/39. However, these rises cannot be fully blamed on the hat trade because additional male unemployment was caused by the annual falling off of car sales after the Olympia Motor Show in October, and also the inclement weather which always affected the building trade. Further more, in 1938 a slump in the motor trade nationally, affected the unemployment figures in Luton in the Winter of 1938/39. This is part explanation for the large rise at that time, but the graph indicates that in November of 1939 female unemployment had reached a pinnacle for the decade. Another indication of the problems facing the hat trade was the increased female unemployment in the other dull season, in late June, July and early August. From 1935 female unemployment in this season outstripped male unemployment in every year from 1935.(1).

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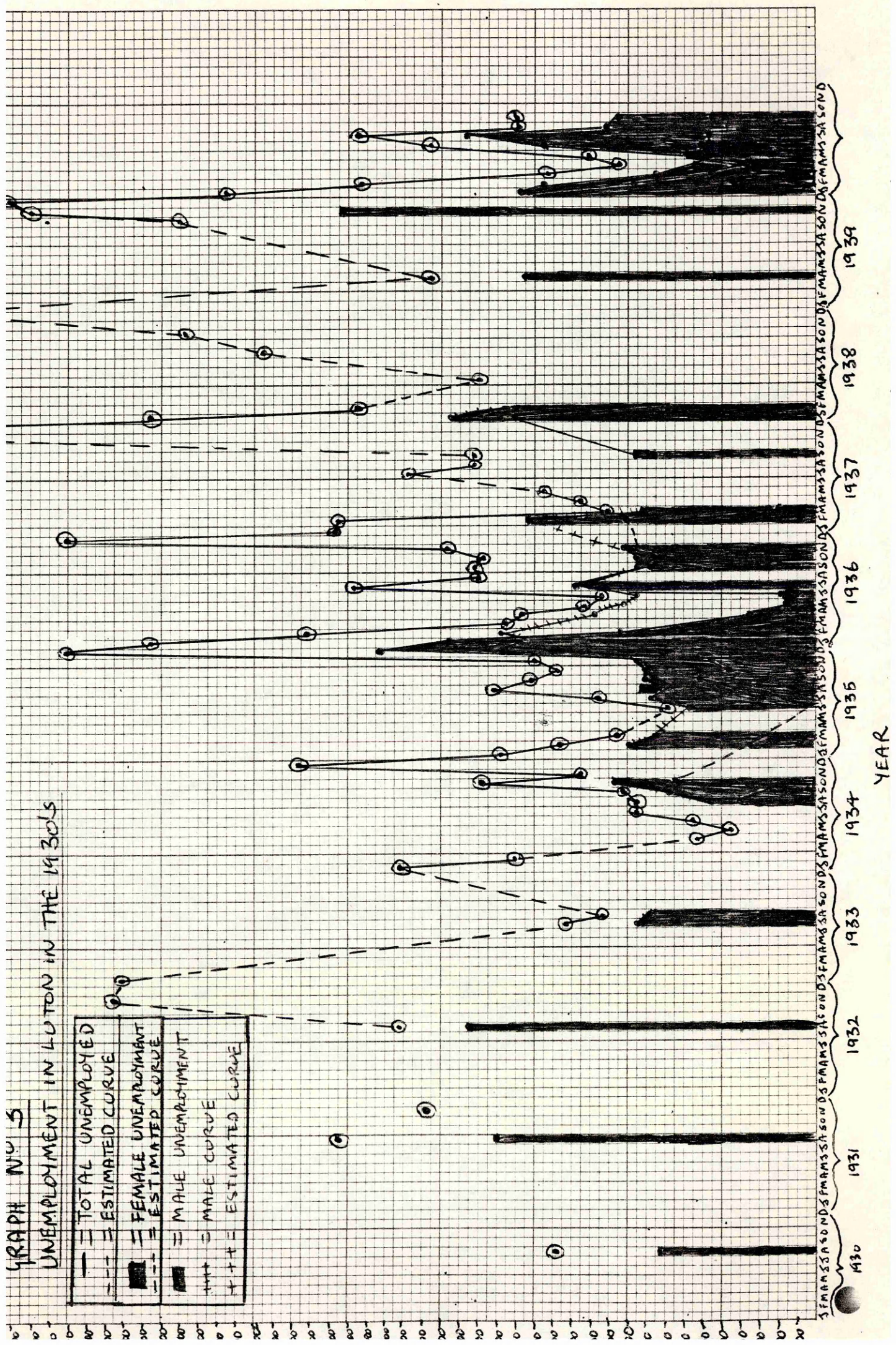
(1) See graph 3. No figures for 1938 but all the indications are that this year would be no different to the rest in this respect.



GRAPH No 5

UNEMPLOYMENT IN LUTON IN THE 1930'S

—	TOTAL UNEMPLOYED
- - -	ESTIMATED CURVE
■	FEMALE UNEMPLOYMENT
- - -	ESTIMATED CURVE
■	MALE UNEMPLOYMENT
+++	MALE CURVE
+ + +	ESTIMATED CURVE





Sources for Graph 3Luton News

20th August, 1931, p.8, col.3. (for 1930 as well)  
 24th August, 1933, p.9, cols. 1 & 2 (for 1932 as well)  
 28th September, 1933, p.10, col.4.  
 7th December, 1933, p.13, cols. 4 & 5.  
 4th January, 1934, p.10, cols. 6 & 7.  
 8th February, 1934, p.16, cols. 5 & 6.  
 10th May, 1934, p.11, cols 1 & 2.  
 9th August, 1934, p.8, cols 2 & 3.  
 15th November, 1934, p.5, cols 2 & 3.  
 13th December, 1934, p.13 cols 1 & 2.  
 14th February, 1935, p.10 cols 6 & 7.  
 14th March, 1935, p.10, cols 4 & 5.  
 6th June, 1935, p.11 cols 4 & 5.  
 11th July, 1935, p.13, cols 4 & 5.  
 8th August, 1935, p.8, cols 4 & 5.  
 12th September, 1935, p.11, cols 4 & 5.  
 11th October, 1935, p.11, cols 4 & 5.  
 7th November, 1935, p.13, cols 4 & 5.  
 12th December, 1935, p.19, cols 1 & 2.  
 2nd January, 1936, p.6, cols 2 & 3.  
 6th February, 1936, p.11, cols 3 & 4.  
 9th April, 1936, p.10, cols 3 & 4.  
 14th May, 1936, p.10, cols 3 & 4.  
 11th June, 1936, p.11 cols 3 & 4.  
 9th July, 1936, p.5, cols 3 & 4.  
 10th September, 1936, p.9, cols 6 & 7.  
 15th October, 1936, p.6, cols 3 & 4.  
 12th November, 1936, p.11, cols 4 & 5.  
 11th February, 1937, p.7, col.7.  
 25th May, 1937, p.9, cols 2 & 3.  
 9th September, 1937, p.11, cols. 1 & 2.  
 27th January, 1938, p.11, col.1.  
 10th February, 1938, p.11, col.1.  
 10th March, 1938, p.11, col. 1 & 2.  
 9th June, 1938, p.3, cols 3 & 4.  
 11th May, 1939, p.11, col.4.  
 7th December, 1939, p.7, col.3.  
 8th February, 1940, p.10, col.3.  
 7th March, 1940, p.7, col.1.  
 11th April, 1940, p.7, col.1.  
 9th May, 1940, p.7, col.7.  
 13th June, 1940, p.6, col.4.  
 11th July, 1940, p.3, col.3.  
 8th August, 1940, p.4, col.1.  
 5th September, 1940, p.5, col.3.  
 17th October, 1940, p.5, col.2.

In the early 1930s female unemployment in the season was non-existent. By the end of the 1930s it was 2 or 3 per cent in the season.(1) High unemployment in the trade, particularly that of women was hidden by seasonality, and the 'seasonality was rapidly intensified.' (2)

The accelerator in the decline of the hat trade was the onset of war in 1939. Strong government interference led to a rapid and intense contraction and 47 per cent of hat manufacturing units ceased trading between 1939 and 1943. (3) The Essential Works Order also had the effect of directing labour into engineering and other firms engaged in war work. Vauxhall, for example engaged, for the first time, a considerable number of women in production work. (4)

By 1945 the hat trade had reached a 20th Century nadir of 2,111 workers accounting for 5 per cent of the Luton workforce. (5) There was some expansion in the post-war years as the trade was able to take advantage of the international markets while war torn countries such as Germany were recovering from military defeat. Once that phase was passed the trade settled down to a capacity of 50 per cent, that of the pre-1939 years, and by 1948 5,980 workers are recorded as working in the industry, accounting for 8.3 per cent of the Luton workforce. (6)

By contrast employment in engineering and vehicles accounted for over

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(1) D.A.Pinder 'The Luton Hat Industry: Aspects of the Development of a Localised Trade.' (Unpublished Ph.D.thesis, University of Southampton 1970) p.126.

(2) Ibid Pinder p.126.

(3) Ibid Pinder, p.131.

(4) W.J.Seymour An Account of Our Stewardship (Vauxhall, Luton 1945) p.6.

(5) Grundy and Titmus op.cit p.101, Table 18.

(6) E.Sterne County Development Plan Beds. County Council (Bedford, 1952) Table VII, p.37.

44 per cent of the insured workforce by the end of the 1940s.(1)

The percentage total workforce in hats shows a steady decline whilst engineering and vehicles combined, show a considerable growth.

Vauxhall alone accounted for over a quarter of Luton's insured workforce in the late 1940s. Hence, far from the diversified economy which the New Industries Committee desired, a picture of the Luton economy emerges in which engineering, and motor engineering in particular were predominant. As early as 1935 the Mayor of

Luton stated 'It is an engineering town on the automobile and mechanical side, and what we want to do is to endeavour to attract the other sides.'(2) In 1938 the editor of the Luton News wrote

'the fortunes of Luton are too closely bound up with those of only two industries - hats and motor engineering. And motor engineering is very largely represented by one company.' (3) Little was done or could be done to alter this situation, as the Second World War emphasised Luton's dependence on such industries.

Planning for the post-war reconstruction was a concern in the latter years of the war, and Professor Abercrombie in surveying the Greater London Area commented that, 'the present population and size of Luton is such that further expansion is not desirable - it is clearly over industrialised.' (4) He opposed the settlement of new industries and the expansion of those already in existence, with one exception;

(1) See Table 34 p.233.

(2) Luton News 12th December, 1935, p.6, col.3.

(3) Luton News 3rd February, 1938, p.10, col.3.

(4) Professor Patrick Abercrombie The Greater London Plan 1944 H.M.S.O. 1945, p.127.

that 'of a limited number of clothing firms to supplement female labour in the hat trade if the industry shows any marked tendency to post-war decline.' (1) Not surprisingly there was much hostility to the plan in Luton, particularly from the Chamber of Commerce and the council, which saw this as a limitation to the growth and therefore the prosperity of the town. (2)

The recommendations of the Barlow Commission on the post war planning of industry, and the findings of the Abercrombie Plan were given some legislative force in the Town and Country Planning Act of 1947, (3) but although this may have had the effect of preventing some new industries coming to Luton (4) it did not stop the growth of Vauxhall which breached the Abercrombie Luton proposals in 1949. The Vauxhall victory, which resulted in the £14 million extension completed in the early 1950s, not only attested to the strength of the firm's economic influence, but revealed the painful contradictions inherent in the mixed economy; between planning for the interests of the community as a whole and the post-war drive for exports and greater production. The Vauxhall management exploited this conflict of interests by claiming that prevention of their plans would hinder their future production performance. (5)

The Vauxhall victory did not please all Lutonians. The editor of the Luton News commented that, 'Luton is fast reaching the point where it will depend too much on light engineering.' (6)

(1) Abercrombie op.cit p.127.

(2) Luton News 21st December, 1944, p.5. cols 2,3.

(3) Harry Hopkins The New Look: A Social History of the Forties (1963) p.474.

(4) Luton News 25th July, 1946, p.5, cols 2 & 3.

(5) Luton News 13th January, 1949, p.5, col.6.

(6) Luton News 10th February, 1949, p.4, col.1.

The 1950's boom period swayed concerned Lutonians away from any serious thoughts of tackling the imbalance, but it was only in the 1960s that some people began to reassert that the place occupied by the motor industry was dangerously large. (1) Had the New Industries Committee therefore failed? The answer must be a qualified one. In terms of economic diversification, in the short run the policy was successful. Many new industries had been attracted, particularly before the First World War, and at that time it was difficult to see which of these industries would be successful. Indeed, in the early 1920s the most optimistic of growth among Luton firms would appear to have been Skefko and Laporte followed in the latter part of that decade by Electrolux. Had not General Motors decided to purchase and develop Vauxhall that concern may not have been in existence today, and Luton would have been smaller but more diversified. Such developments were impossible to predict.

In the long term, the rapid expansion of Vauxhall in the 1930s ensured its central position in the Luton economy, and its subsequent growth ensured its predominance. In the long term, therefore the New Industries Committee seems to have failed, outflanked by unforeseen developments. Nevertheless, by comparison to the 19th century Luton was more diversified. In the 1920s and 1930s there could be said to have been two staple trades, and it was not until the years after the Second World War that the traditional trade was truly eclipsed. These trades helped Luton through two depressions.

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(1) Luton Year Book 1962-63 p.91.

In terms of providing more occupations for men and lessening Luton's reliance on female labour, the Committee had a much more successful record. The decline of the hat trade ensured the decline of the female workforce in relative terms to men. This process was delayed by the two World Wars at which times female labour was in demand for the war effort. However, female presence in the engineering trade does not seem to have survived long after the 1st World War and a similar experience took place after the 2nd World War. Where women did gain a foothold in the new industries was in firms such as Electrolux and Skefko engaged in unskilled assembly work. Their labour was cheap and thus far less costly than the men. The average weekly wage in the hat trade in the mid-1930s was between £1-12s and £2 per week. (1) Men by contrast could earn between £3 and £4 a week and with over-time in the car trade even higher sums. (2)

The cheapness of female labour always ensured a demand for them. In the mid 1920s this became a regular complaint amongst employers. For example. Skefko complained to the Engineering Employers Federation (local branch) of the 'difficulty experienced by Luton firms in obtaining and keeping girls ... owing to the high wages paid in the straw (hat) trade.' (3) Kent's agreed with this view.

Despite the depressed state of the hat trade from the mid-1930s it still provided sufficient attraction. Instead of the women

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(1) E.D.Smithies 'The Contrast Between North and South in England 1918-1939: A study of economic, social and political problems with particular reference to the experience of Burnley, Halifax, Ipswich and Luton.' (Unpublished University of Leeds Ph.D. Thesis, 1974) Table 3.11, p.142.

(2) Ibid p.137.

(3) Beds E.E.A.Minute Book 1927, 15th September, 1927, 15th December, 1927.

remaining in the hat trade all year as seemed to be the case in the 1920s, a decade later the pattern seemed to be that the 'girls leave to take seasonal work in the hat trade and return to Electrolux at the end of the season.' (1) This also applied to Skefko and to Kents and some other firms to a lesser degree. Besides the high seasonal wages the hat trade proved attractive to women because of the flexibility of working hours and conditions. They could work at home if they so wished on many operations thus enabling women with small children and other dependents to work. In addition they were not subjected to the regimentation of work which was the norm on assembly lines in the new industry factories. When the war interrupted this interchange of female labour between the hat trade and the new industries, the women became more aggressive in the demands for higher pay. The safety valve of the hat trade had been removed as they were drafted into engineering and other types of factory work often against their will. In Skefko there was a very militant strike involving some violence in 1940. They were demanding more money. 'The girl shop stewards alleged that they were unable to control their members... there had been some scrapping.' (2) The 80 per cent women workers who were on strike were fully supported by the men. (3) At Davis Gas Stove Company women welders requested and received higher rates, (4) in August, 1940. Despite some gains by women factory workers there

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- (1) 'Report on the Industrial Position of Luton.' South of England Economic League, April, 1938, p.3. Mid-Anglian E.E.F.Archives.
  - (2) Skefko File, Three page management report of the strike. 25th April, 1940. Mid-Anglian E.E.F.Archives.
  - (3) Luton Saturday Telegraph 27th April, 1940 p.6, col.2.
  - (4) Beds E.E.A.Minute Book, 1940, 18th August, 1940.

was still great resistance by women to enter the factories. In December, 1940 over 1,000 women are recorded as being unemployed and 'awaiting hat work.' (1) The Beds Association of the E.E.F. were anxious to know why women did not want to work in their concerns. The delegate from Skefko suggested three reasons; 'that the work was dirty, they did not like machine shops and they objected to shift working.' (2) No mention is made of low pay and regimentation. It was only firm government re-direction of labour that significantly enabled the new industries to obtain sufficient female labour. Of the disputes which reached works conference and local conference level in the war many involved women workers, and as late as 1943 some women were complaining that their wage levels were not much higher than in pre-war years, and that the differentials with the men were very noticeable. (3)

In most respects the Second World War was the last time in which women could assert some influence on the Luton economy. When the war ended the need for women workers was greatly reduced. Vauxhall, for example, had taken on women workers in the production areas for the first time, and female employees increased considerably on the non-production and staff side. In 1943 women accounted for over 25 per cent of the total Vauxhall workforce (4), and towards the end of the war some 20,000 women were engaged in various kinds of work

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(1) Beds E.E.A. Minute Book 1940, 12th December, 1940.

(2) Ibid 12th December, 1940.

(3) Ibid 1942-1945 19th August, 1943.

(4) Vauxhall Motors Personnel and Employment Sheets 1939-1978, p.1. Vauxhall Motors Archives.



in Luton. (1) By 1946 the total female workforce in Vauxhall had fallen to just over 6 per cent of the total Vauxhall workforce, and on the production side it had fallen from just over 25 per cent of the total in 1943 to 1.6 per cent. (2)

Combining this fall with the decline in the fortunes of the hat trade, female employment had become very much secondary to male employment. By 1951, the male occupied workforce was more than twice that of the female. (3)

Women labour tended to be disadvantaged in the long run as a result of the economic changes in Luton. The decline of hat trade employment during the period was not sufficiently offset by the increase in the number of jobs made available in the new industries.

The picture is distorted by the experience of the two world wars during both of which demand for their labour was high. However, at the end of the First World War the hat trade was sufficiently large to reabsorb the women who had gone into engineering and munitions work, and its relatively large, though declining size, enabled women to choose between new industry assembly jobs and the seasonal hat trade. But the pattern of unemployment in hats in the 1930s made less stable employment prospects for women.

The true picture of female employment did not fully emerge until after the Second World War. The war had greatly damaged the hat industry, and the engineering and motor vehicle industries,

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(1) Dyer and Dony op.cit p.184

(2) Ibid Vauxhall Motors Archives p.1.

(3) Census 1951, County of Bedfordshire, Occupation Tables, table 25, p.41. Occupied males = 34,948; Occupied females = 16,473.

particularly Vauxhall, had prospered. The pattern of women absorption into the hat industry could apparently not be repeated after the Second World War and therefore unemployment among women in percentage terms increased.

In fact the hat trade still held a great appeal for women, because of the more relaxed industrial relations than those in the engineering industries. We have seen the comparatively greater freedom offered. One example Dony cites is that in one hat workshop a person was hired by the women, to read to them while they worked.(1) By contrast female hat workers were reluctant to enter factories during the early years of the war. This evidence would suggest that women who could have found work in many of the new industries chose to stay at home rather than be subjected to factory drudgery. Women wanted to start and raise families after five years of domestic upheaval caused by the war. In effect women voted with their feet against entering the new industries, and it was not until the 1950s that they began once again to show significant numbers in the Luton workforce. (2)

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(1) Interview with Dr.Dony.

(2) See 1961 census, for Luton workforce.

## CHAPTER EIGHT    Vauxhall and the Luton Economy.

### Introduction.

The intention of this chapter is to show how Vauxhall's influence on the Luton economy became predominant, particularly after the 1930s. A natural divide occurs in 1930 and the first part of the chapter will show that Vauxhall was as vulnerable to the influences within the town as the other new industries before that time. Far from creating initiatives within the Luton economy, it was often adversely affected by local pressures. Although Vauxhall had emerged from the 1st World War as one of the largest single Luton concern, its size was insufficient to offset the problems which it faced within the local labour market; shortage of skilled workers and high rates of pay. In addition its problems were compounded by the changing state of the national economy from one of boom to slump between 1919 and 1921, and its relative performance in the car market in the 1920s. Its posture was in essence a defensive one in this period.

It will be shown how after 1930, Vauxhall's growth and profitability gave it the strength to exert considerable influence on the competitive bidding for labour between Luton firms. In order to attract sufficient skilled labour, Vauxhall continually raised its level of pay so that in 1950 the local association of the Engineering Employers Federation complained that it was unable to counteract its influence.

### Luton and Vauxhall to 1930.

The period between 1916 and 1920 was a time of labour shortage due to the war and the post-war boom. Workers were able to make progress in organising themselves and as we have seen in Chapter 5, not only

did unionism in Luton reach new peaks, but for the first time even female labour was unionised, though not that employed in the hat trade.

After the abolition of leaving certificates in 1917, which led to considerable enticement between firms by bidding up wages in order to attract labour, inter-firm competition for labour was intense. It was a time of worker offence and employer defence. During this period Vauxhall was continually forced to follow wage rises given by other companies to retain workers.

TABLE 37 Luton and Bedford Companies mentioned in this chapter.

Vauxhall est. 1905. Product - motor cars, Joined EEF 1907, left in 1921.

Adamant Engineering est.1919. Product - steering gear for motor vehicles. Joined EEF in 1937.

W.H.Allen est. 1894. Products - pumps and electric generators. joined EEF in 1913. Has always been the largest Bedford firm.

Commer Cars est.1906. Product - commercial motor vehicles. Joined EEF in 1911.

Davis Gas Stove Co. Est.1895. Products - gas stoves, radiators and general castings. Joined EEF in 1941.

Electrolux est.1926. Products - vacuum cleaners and refrigerators. Joined EEF in 1941.

Hayward-Tyler est.1871. Products - soda syphon machinery and general engineering. Joined EEF in 1903.

George Kent est.1906. Products - water, gas and steam meters. Joined EEF 1920.

Percival Aircraft est.1936. Product - light aircraft. Joined EEF in 1941.

Skefko (later S.K.F.) est.1910. Product - ball bearings. Joined EEF in 1915.

Attempts were made to control the bidding up of wages by inducing firms to join the local association. In May 1919 Bedford and Luton associations had amalgamated to form a Bedfordshire Association.

This had little short term influence due to the differing natures of the two towns. In October, 1920 this was acknowledged by the fact that Bedford increased its piecework rates by  $2\frac{1}{2}$  per cent and Luton by 4 to 5 per cent.(1) Bedford, the smaller and less industrialised of the two towns, had greater and more effective control by the EEF over the local engineering workforce. In 1919 for example of the 13 firms which were members of the Bedfordshire Association only 5 were from Luton, and it was calculated that there were 12 possible firms that could be recruited in the Luton area but had refused to join. (2) Nevertheless, of the five Luton firms, Vauxhall, Kent, Skefko and Davis were the largest with an approximate combined workforce of between 3 and 4,000. The post-war boom and shortage of labour, however, meant that there was little hope of controlling wage bidding, and a defensive policy was the only one that the association could adopt at this time.

The wresting back of managerial ascendancy had to wait until the onset of depression from the latter half of 1920. This process began in 1921 with Vauxhall leading the assault. But even the E.E.F. could not work hard or vigorously enough and Vauxhall resigned from the association in July 1921.(3) Unimpeded by E.E.F. agreements Vauxhall was able to break the union presence and power within the firm, and

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(1) B.E.E.A. Minute Book 1919-1920 14th October, 1920.

(2) B.E.E.A. Minute Book Luton Cttee 1916-18, 7th March, 1918.

(3) B.E.E.A. Minute Book 1921-1924, 20th July, 1921.

introduce its own form of bonus system based upon time and motion studies worked out by the management, alone.

The local association waited until 1922 when the Federation coordinated a national lockout. In Bedfordshire 591 engineering trade unionists were sacked and only taken back when they acquiesced to Federation demands. (1) By the time the dispute had finished a thorough demolition job had been carried out on the unions shown by the dramatic decline in engineering unions membership, from a peak of over 2,000 in 1920 to 760 by early 1923. (2) Though the local association members had regained 'the power to manage' (3) by co-operating with the national efforts of the Federation, their victory in many respects was a hollow one.

By 1923 four firms had left the local association and only one had joined. (4) Membership had thus declined from 13 to 10, and of these only four were Luton firms. The decline in trade union membership was thus paralleled by a decline in employers association membership. Both sides had been badly affected by the depression, but the employers had decided to use the unions as a scapegoat. Earlier in 1926 the decline of the association was minuted when 'it was noted that due to the smallness of the association the executive committee was virtually the same as the General Committee, and that efforts should be made to recruit members.' (5) There was

- (1) B.E.E.A. Minute Book 1921-24, 14th March, 1922. "Mr Carmichael (of Commers) stated... that a written statement was made by the men in each department stating that they had ceased to be members of A.E.U., and those who did not sign were automatically paid off at noon Saturday."
- (2) See Table 24 in Chapter Five.
- (3) Title of Eric Wighams book on the EEF is entitled 'The Power to Manage': A History of the Engineering Employers Federation (1973) Chapter Six is entitled 'Power Regained, 1920-34.'
- (4) The Bedford Engineering Company joined in 1921.
- (5) B.E.E.A. Minute Book 1926, 4th Jan., 1926.

no successful recruitment campaign and association membership did not return to its 1921 level until 1940.(1) In many respects the association had made a rod for its own back. Their action in weakening the unions had enabled the non-federated firms to reap the benefits. While federated firms were held in check by national guide lines on pay, local non-federated firms had no such impediments and could raise wage levels to attract skilled labour when required. There was thus little incentive for these firms to join the federation. They were better off outside it. After a dismal failure in recruiting local firms, Mr. Kent (of George Kent Ltd.) bitterly remarked 'that if it had not been for the federation they (non-federated engineering firms) would have had to pay very much higher wages.' (2)

In the latter half of the 1920s trade picked up considerably among Luton engineering firms and the local press began to run optimistic surveys in which the potential for industrial growth within Luton was painted in glowing terms. The two motor concerns did not share in this prosperity. Vauxhall was still ailing and unsure of its future under General Motors control; Commer was put into the hands of the receiver in 1924 with accumulated losses of £280,000. (3) Its affairs were controlled by the receiver until it was purchased by Humber Ltd. of Coventry in 1926, which in turn amalgamated with Hillman Cars and the Rootes Group in 1928.(4) Skefko was seen

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- (1) Annual Report of B.E.E.A. for 1940 dated January 1941.
  - (2) B.E.E.A. Minute Book, 1926 23rd September, 1926.
  - (3) Luton News 10th July, 1924, p.13, col.1.
  - (4) Progressive Luton Empire Trade League (Luton, 1933) p.19.

much more as the glittering jewel in the Luton industrial crown, to be followed by another Swedish owned subsidiary, Electrolux which was established in Luton in 1926.

It can be said that Electrolux, and particularly Skefko, set an example to other firms in the locality in terms of plant lay out, and provision of welfare services. As early as 1921 The Luton Chamber of Commerce Journal reported that 'visitors were much struck with the excellent manner in which the works is planned....(and) light and air space is plentiful.' (1) Skefko also provided a spacious canteen and a sports and social club for its employees.(2) This expansion at the end of the decade led to increasing demands for workers in two areas: skilled and cheap unskilled. Very cheap unskilled labour was often drawn from the ranks of women workers in the hat trade but they proved difficult to recruit in the 1920s because in relative terms the hat trade was more prosperous than the engineering trade and the seasonal slump in the car/engineering trade and the hat trade coincided at the end of the year. It was possible, however, to recruit some women in the summer months when the hat trade was traditionally slack.

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(1) Luton Chamber of Commercial Journal 21st May, 1921, p.86.

(2) It may be noted that a contradiction exists in the fact that Skefko appeared to be an enlightened employer and yet belonged to the E.E.F. which had virulently crushed engineering unionism in many areas, including Luton, in 1922. It is generally accepted practise in Sweden for employers to belong to associations, the national one being the S.A.F. (Svenska Arbetsgivare-foreningen - a more powerful equivalent of the British C.B.I.) Centralised bargaining procedures had been established in Sweden before the 1st World War. The S.A.F. had used the lock-out to institute centralised control in 1906 and 1909. See P.Jackson and K.Sisson 'Employers Federations in Sweden and the U.K. and the Significance of Industrial Infrastructure.' British Journal of Industrial Relations XIV (3), 1976. There was thus no contradiction in belonging to the E.E.F. which employed similar procedures. A policy of firm but enlightened paternalism was aimed at in industrial relations.



Skilled workers, realising they were greatly sought after began to demand increased wages. At Kents for example, the toolroom workers were given a compensatory bonus which enabled them to be paid 'higher than the district rate.' At Commer a compensatory bonus was also paid plus a cost of living bonus. (1) The extra cost of living bonus alarmed Sir Walter Kent who 'was anxious that Commer not upset the district rate and ought to come into line with Kent and Skefko practice. They (Kents) had a large tool room and did not want to upset an arrangement which was working perfectly satisfactorily.' (2) This situation where the skilled workers envisaged regaining the lost ground from 1922, was to be thwarted by the onset of the Great Depression. By November 1930 the draughtsmen at Allen's Engineering Company in Bedford were forced to take a reduction in wages, and at Commer in Luton they worked an extra half hour for the same pay. (3) In 1931 Kents introduced a piecework system whereby 'if a man made a loss on a job then he had to bear that loss; in other words the day work rate would not be guaranteed.' (4) The depression was not to affect the engineering trade as badly as it did the old staple industries.

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- (1) B.E.E.A.Minute Book, 1921. 24th October, 1929.
  - (2) Ibid, 24th October, 1929.
  - (3) B.E.E.A.Minute Book, 1930, 13th November, 1930.
  - (4) B.E.E.A.Minute Book 1931, 26th November, 1931.

### Vauxhall and Luton 1930-1950.

Unemployment peaked for the decade in 1932 at 8%.<sup>(1)</sup> After 1934 Luton was to experience a rapid expansion in its new industries. That expansion was very much spearheaded by Vauxhall. The influence of Vauxhall on Luton up to 1930 was limited and, its presence could not be called predominant. The policies of General Motors to turn Vauxhall into a mass producer of cars and commercial vehicles was to cause Luton to become gradually more reliant on the firm and its success for continued prosperity.

Even in the planning stages of its growth in the late 1920s, the economic and political strength of Vauxhall in influencing local government policy was decisive. Throughout most of 1930 the Luton Town Council agonised over whether to allow Vauxhall to add 500,000 square feet of floor space which included a covered bridge over the main road leading to the works. The General Motors owned subsidiary, helped the council come to a speedy decision by threatening to build a huge alternative plant 'in some other part of the country.'<sup>(2)</sup> At a time of worsening unemployment the Council realised that other areas would not be so particular about planning. Permission was duly given for the Vauxhall extension. For the rest of the decade no such embarrassing hold ups were to occur for Vauxhall expansion plans, and a mutual co-operation sprang up between the firm and the town council. In November, 1931 Charles

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- (1) Average Unemployment for Years 1923-1939 (Burnley, Halifax, Ipswich and Luton) Table, p.114 in Smithies, E.D. 'The Contrast Between North and South in England, 1918-1939.' (Ph.D. Thesis, University of Leeds 1974).
- (2) Luton News 4th September, 1930, p.8, col.4.

Bartlett gave the Mayor and members of the Luton Corporation a guided tour of the reorganised works.(1) A half million pound expansion scheme in early 1933 received no opposition at all from the council and this was followed by a further £250,000 expansion in the last quarter of that year, with similar results.(2) With over 5,000 workers employed at Vauxhall and a net profit declared at £170,000 Leslie Walton could justly boast of Vauxhall's growing importance to the prosperity of the town at the 1934 Annual General Meeting.

'We have naturally been able to contribute in no small measure to the prosperity of our country, and particularly to Luton and district, for not only is there practically no unemployment in the district, but believing as we do that good work entitles a man to good wages, it means a substantial circulation of money locally every week.' (3)

In the following year, after the announcement of a 75 per cent dividend to shareholders, the Luton News hailed Vauxhall as 'a Luton Goldmine.' (4) The million pound investment expansion to produce the 'Vauxhall 10' received not so much as a murmur of protest from the Council in 1937. The only time that the worry of Luton becoming increasingly reliant on Vauxhall, was publicly aired, was during the motor trade slump in 1938 (5) Any doubts

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(1) Luton News 12th November, 1931, p.6, cols 2 & 3.

(2) Luton News 9th February, 1933, p.6, col.3. Ibid 21st Sept., 1933, p.11, cols 4 & 5.

(3) Luton News 22nd March, 1934, p.13, col.3.

(4) Luton News 3rd January, 1935, p.11, cols 3 & 4.

(5) Luton News Editorial, 3rd February, 1938, p.10, col.4.

were soon dispelled when trade picked up, and later in the year when Vauxhall announced plans to develop a 26 acre site in nearby Dunstable, the main concern in the press was whether this would detract from Luton's prosperity. (1) As it was, the Dunstable plant was not developed until the Second World War and the large scale expansion did not take place until 1954. (2)

From the early 1930s Vauxhall had also begun to exert an enormous influence on the labour market. The need for a greater work force caused Vauxhall to act like a magnet to the unemployed not only in the locale, but also in London and the home counties and depressed areas farther afield. The attraction of unskilled and semi-skilled labour was relatively easy. Competition between local firms was particularly keen for skilled labour and from the early 1930s Vauxhall began to use the enticement of high wages to obtain sufficient men. The first recorded instance was in the dispute between the Skefko management and their tool room workers in 1933. The dispute is an interesting one as it shows two contrary pressures operating on the Skefko management, which were to be applied in turn to other firms in the Luton district. Firstly, the men began to demand wage increases and pointed to the example of Vauxhall. It was made clear by the men that if these demands were not forthcoming then they would leave and go to Vauxhall. (3)

Secondly, Skefko's membership of the Engineering Employers Association

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(1) Luton News 14th July, 1938, pp 6,10.

(2) A History of Vauxhall Vauxhall Motors Limited., (Luton 1981) p.52.

(3) 'Rates of Pay-Skefko Tool room.' Works Conference, 15th December, 1933. The Skefko Papers, Mid-Anglian E.E.F. Archives.

would not allow the management to increase the tool room workers rates as this would be contrary to national agreement negotiated by the E.E.F. The only winners would be the workforce and in the long run the unions. In such a situation any thoughts of free collective bargaining were anathema to the local association.(1) It suggested two courses of action which would prevent Skefko contravening E.E.F. agreements. They were, to approach Vauxhall as a non-federated firm and appeal to them to keep in line with local federation practice; and/or 'to approach the Ministry of Labour with a view to a transference of labour from distressed areas to meet the present labour demand in Luton.' (2) Even before these measures were taken Skefko had given in to the Vauxhall pressure and had granted higher wage rates to their tool room men. This pattern of Vauxhall setting the wage norms which the other local firms were forced to follow became fully established in the 1930s. The local association minutes record numerous similar occurrences and these complaints by local federation members continued throughout the 1940s.(3) In December, 1933 Kents complained of dissatisfaction among their pattern makers, which had sprung from such comparison.(4) Even the production workers at Skefko began to demand the restoration of the pre 1931 bonuses and piece rates.(5) The scene was set by 1934 for a membership drive and a wages assault by the small but

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- (1) 'Rates of Pay - Skefko Tool room' Works Convergence, 15th Dec., 1933. The Skefco Papers, Mid-Anglian E.E.F. Archives. pp.5,6,7.
  - (2) Ibid p.7.
  - (3) Vauxhall predominance in this respect continues to this very day.
  - (4) B.E.E.A. Minute Book 1934, 4th January, 1934.
  - (5) Ibid.

growing Amalgamated Engineers Union. The policy pursued was to use Vauxhall as a stick with which to beat other firms in order to gain wage advances. The Federation viewed with alarm the successes gained by the Skefko workforce, particularly the fact that the management had reported a rise in the firm's union membership. (1)

The high rates paid to skilled workers by Vauxhall began to have a wider influence which reinforced the upward trend. For example, Kent's management accused Commer of having excessive rates i.e. on average £3-16-1d per week for tool room workers, whereas Kents paid £3-13-8d. Commer Federation delegates explained that they were forced to pay these rates to retain workers in the face of Vauxhall competition. (2)

The A.E.U. tactics were then to switch their attention to non-federated firms. Vauxhall was out of the question for two reasons: the first and most obvious being that Vauxhall was the trend setter in the district in terms of wages and conditions; and, secondly, the fact that union presence in Vauxhall was limited and by no means active. A Mr. Gillies was sent by the Communist Party 'to organise this works.... and then to make it a union shop.' (3) That he signally failed to do this is evidenced by the fact that he eventually became employed at the Park End Clothing Company as a canvasser. (4)

(1) B.E.E.A. Minute Book 1934, 1st February, 1934.

(2) Ibid 12th April, 1934.

(3) Letter and Report from L.R. Stanford, Joint Organiser of The South of England Economic League to W.F.T. Trunchion, Sec. Beds. Engineering Employers Association, 29th July, 1938. Mid-Anglian E.E.F. Archives. p.4.

(4) Ibid, pp 2,3. All workers interviewed by the author all confirm a small union presence in Vauxhall in the 1930s.

The A.E.U. therefore concentrated their efforts on three other non-federated firms Adamant, Davis Gas Stove and Electrolux. In September, 1934 a strike took place at Adamant Engineering. The A.E.U. were able to apply a four way pressure on the firm. From within the firm by means of the striking workforce; by getting A.E.U. members in other firms to pledge support for the strike; and by gaining the cooperation of A.E.U. members in other firms in other parts of the country to black Adamant goods. This in turn caused anxiety within the E.E.F. as it would adversely affect some of their member firms. Pressure was thus put on Adamant to join the local Association, but they refused. (1) The Federation then informed Adamant that 'if any Federated firms are inconvenienced by any action of theirs the whole Federation resources would be used to support the union, they thought it would be wise to meet the union half way.' (2) Finally, the union was able to have pressure applied by the Ministry of Labour. Adamant was a government contractor and threats were made to withdraw that privilege 'due to the fact that the firm were not paying trade union wages.' (3) Inevitably Adamant acquiesced and sought advice as to the district rate but the local association refused to furnish them with this information. Adamant therefore decided to seek advice in this respect from Vauxhall. Alarmed by this move the association hurriedly sent Adamant the district rates. (4)

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(1) B.E.E.A. Minute Book 1934, 13th September, 1934.

(2) B.E.E.A. Minute Book 1934, 25th October, 1934.

(3) Ibid, 13th September, 1934.

(4) Ibid, 13th December, 1934.

By early 1935 the local association had come to realise that such was the shortage of skilled labour 'that they could not attract men to their works because of the district rate fixed by the federation. The men preferred employment with non-federated firms or operative work on production jobs where they could earn considerably more than they could in the tool room.'(1) This problem was not only a Luton one. The Federation found that Associations North of Leicester were against raising rates nationally and those South were in favour.(2) Indicative that the engineering and new industries centres of the South and Midlands were experiencing an upswing in trade, whereas the North and other depressed areas were still very much experiencing slump conditions. Indeed in 1934 there were still 140,000 engineering workers unemployed.(3) Luton's place in the national context was complex. Nationally, the Federation had allowed a 2/- a week rise to the engineers on the grounds that general claims for the district must always be rejected.(4) Almost immediately after this national agreement Luton and three other areas had submissions by the A.E.U. for an increase in the District rate.(5) Luton was unique in the sense that it was a town whose engineering workforce was largely outside of the control of the Federation, and that was due to the phenomenal rise of Vauxhall. Therefore although the local association

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- (1) B.E.E.A. Minute Book, 1935. 7th February, 1935. Mr. Kent was probably referring to Vauxhall. In fact there are many recorded instances of migrant skilled workers taking production jobs if they could not get skilled work in Vauxhall. Several skilled body builders interviewed took jobs in the heat treatment and chassis departments although they had been fully skilled men in the Swindon railway works.
  - (2) Ibid, 7th February, 1935. National Report presented to the meeting.
  - (3) E. Wigham The Power to Manage, (1973) p.145.
  - (4) Ibid, pp 142,143.
  - (5) Ibid p.143.



rejected the claim and 'a failure to agree' was recorded at the central conference, the federated firms in Luton knew that they were fully under the influence of Vauxhall. Within the local association a lengthy debate ensued. The representative from Hayward-Tyler was against granting any increase on the grounds that the rates for fitters and turners in Oxford were 1/- lower than Luton. (1) Kents, on the other hand, referred to the difficult position in regard to labour shortage and that 'they could not attract labour even from the outside at the Federation rates as the non-federated firms were willing to pay higher rates.' (2) Nevertheless, the local association refused to grant the increase 'as there were few unionists in the federated firms today and they would not risk their jobs and wages for the sake of a 3/- per week increase. The earnings by payment by results workers were high.' (3) The Association seemed correct in its analysis as no strike or dispute is recorded. It would seem that the A.E.U. in Luton had over played its hand but this victory was a pyrrhic one for in denying the increase they consistently denied themselves skilled labour. In early 1937 the A.E.U. once more put in an advance for the Luton district 1½d for unskilled grades and 1d per hour for skilled workers. Kents noted the increase in union membership in the A.E.U. from 800 to 2,000 in the District, and that the union had regarded the growth of Luton as an engineering centre so important that the area head quarters was moved from Essex to Luton, with Chappell, the area organiser permanently in residence. (4) The

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(1) B.E.E.A. Minute Book, 1935, 25th August, 1935. Morris Motors was at Oxford.

(2) Ibid. 25th August, 1935.

(3) Ibid. 19th September, 1935.

(4) Ibid. 11th February, 1937.

local association resisted any increases and therefore the union pressurised non-federation firms Davis, Electrolux and Adamant. Adamant applied to join the E.E.F. in an attempt to avoid being isolated by the union, but they preferred to keep their 5 day a week practice which federation firms were not allowed to do, and so they never reached the stage of actually subscribing.(1)

Towards the end of 1937 all three non-federated firms had acceded to the union demands. At Davis the tool fitters had refused to work overtime until the situation was 'clarified.'(2) Under such local pressure the local association granted a small increase: fitters and turners from 45/- to 46/- per week, and labourers from 28/1½d to 30/-.(3)

The unions did not have enough collective strength in this period to gain overall advances by themselves, but there were enough pockets of unionism in non-federated firms like Adamant, Davis and Electrolux to apply adequate pressure.

In 1938 trade union activity was much less, due mainly to the slump in the motoring and engineering industries. During this lull the Davis Gas Stove Company applied to join the B.E.E.A. because 'the A.E.U. were attacking non-federated concerns,' (4) and they did not wish to fight alone when the next demands were made. In this way the attacks on non-federated firms gave cause for local firms to

(1) B.E.E.A. Minute Book 1937, 6th April, 1937.

(2) Ibid, 9th December, 1937.

(3) Ibid.

(4) Letter from Sec.Beds. E.E.A. to E.E.F. 11th January, 1938.  
Davis Gas Stove Company Ltd Membership Files, E.E.F. Archives.

join the federation - a state of affairs to which the local association did not readily object. In fact the relationship between the local association and the A.E.U. was good throughout most of the 1930s particularly after 1937.(1) A particular example of this was the amicable way that the nationally negotiated Relaxation Agreement,(2) concerning dilution, was smoothly worked between the two bodies.

The war years were to hasten the trend towards organised collective bargaining. Union membership noticeably increased, and local firms began to join employer associations. B.E.E.A. membership jumped from 12 in 1940 to 23 by 1943, and by the end of the war 30 firms had affiliated. (3) Two notable new members from Luton were Electrolux and Percival Aircraft. The main reason for this was increased government involvement in production as a vital part of the war effort. This had the effect of creating an atmosphere of industrial cooperation through such bodies as production committees, and the need to cooperate over the operation of the Essential Works Order, industrial training, reserved occupations and dilution. Unions and employers associations could much more easily represent individual firms and their workers in the increased beauracritic wartime economy. Another reason for the growth in membership of the B.E.E.A. was that in a labour short economy the bargaining strength of workers had considerably increased. Individual firms

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(1) Annual Reports of the Beds. E.E.A.1938, 1939 and 1940. Mid-Anglian E.E.F.Archives.

(2) Wigham, op.cit. p.146. Because of the acute shortage of skilled labour the union and employers finally agreed to some dilution from 1939. This was at the prompting of government anxious to have war contracts fulfilled.

(3) Annual Reports of B.E.E.A. 1940-45. Mid-Anglian E.E.F. Archives.

began to seek sanctuary within the ranks of an experienced belligerent which could take on both the government and the unions more effectively than a firm on its own. Luton's own special ingredient to this recipe for industrial conflict was the policy of high wages paid at Vauxhall, which continued to create problems for the local association throughout the war.

W.T.F.Trunchion, the B.E.E.A.Secretary, calculated the following index of wages, which shows a remarkable increase of wages between 1939 and 1942.

TABLE 38 Bedfordshire District Index of Wages in Member Firms. (1)

<u>Year</u>	<u>Wages Index</u>	Base year 1939 = 100.
1939	100	
1940	-	
1941	-	
1942	322	
1943	363	
1944	348	
1945	295	
1946	281	
1947	300	
1948	355	
1949	372	
1950	382	

The leap in wages was greatest between 1939 and 1942/43 when war production had reached fever pitch. This high peak was to be sustained throughout most of 1944 but by the end of the war there was a decrease in earnings as demand wound down and with it over-time and extra bonuses. The flooding of the labour market with demobbed servicemen; fuel, iron and steel shortages, had the effect of

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(1) Annual Report of B.E.E.A.1950, Mid-Anglian E.E.F.Archives.

lowering wages and output levels. In addition much plant which had been worked unceasingly and to full capacity throughout the war needed replacing, and the new capital investment programmes were as yet incomplete. By 1948 wage levels had reached war-time maximums as industries, especially motor vehicles worked hard to fulfill rocketing overseas demand. By 1949 a new wage peak had been reached.

The pattern of local negotiations parallels this picture quite closely. The number of local negotiations increased dramatically in 1942 and tailed off suddenly in 1946, although the number of works conferences remained at a much higher level than in the pre-war years.

TABLE 39 Local Negotiations of the Beds. Engineering Employers Association 1937-1949.

<u>Year</u>	<u>Works Conf.</u>	<u>Local Conf.</u>	<u>Central</u>	<u>Special</u>	<u>Total</u>
1937	6	3	1	-	10
1938	1	3	3	-	7
1939	1	1	2	-	4
1940	5	3	3	-	11
1941	8	3	-	-	11
1942	33	8	2	-	43
1943	29	5	3	3	40
1944	22	4	3	-	29
1945	25	3	2	-	30
1946	14	7	2	-	23
1947	16	6	-	1	23
1948	15	5	2	-	22
1949	18	5	1	-	24

- (1) Source: The Annual Reports of the B.E.E.A., 1937-1950. The B.E.E.A. Minute Books 1937-1950. Mid-Anglian E.E.F. Archives. A Works Conference literally took place on the works premises and would usually involve the management, shop stewards, convenor and on occasions, the union area full time official. A Local Conference took place when the dispute could not be resolved at shop floor level or factory level. This would involve B.E.E.A. officials and local union officials as well as the management and men of the firm involved. Evidence would be presented and usually recorded verbatim. Central Conference was the final stage in the process when 'a failure to agree' had been recorded at the local conference. These usually took place at York and to a lesser extent at London. National level officials of union and employers would

The number of works conferences which remained high after the war must not be only interpreted as an increase in the bargaining power of organised labour. It was more indicative of the greater acceptance of collective bargaining procedures of management and labour, and in fact the number of disputes reaching central conference actually decreased after the war even though the number of firms which were B.E.E.A. members had tripled since before the war.

The growth of unionism must not be exaggerated or its influence over emphasised. While A.E.U. membership increased eleven fold between 1933 and 1950 (1), it was starting from a very low base. As we have seen in chapter Six, even by 1949 only 20 per cent of the Luton insured workforce was unionised. (2) It was the growth of Vauxhall and its demand for workers which had added considerable strength to the ranks of the local unions. Interestingly this process was deflected away from Vauxhall and towards non-federation firms in the 1930s. In the 1940s, as many more local firms began to join pressure was brought to bear on the Federation itself. It could be argued that Luton was experiencing the general increase in trade in new industry and that this factor was more pertinent to its growth, and in turn acted as a catalyst for changes in industrial relations. Vauxhall could then be seen to have been just

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(1) See Table 26, chapter Six,

(2) Trade Union Membership Drive, Luton and District Trades Council (Luton 1949) p.7.

one part of this general growth. Vauxhall was very much a leader in the growing motor vehicle industry in the 1930s and 1940s. Nevertheless, it is also true that it introduced local factors which had a profound and unique effect on Luton. Firstly, it acted as a wage leader, in the sense that it not only paid the highest wages in Luton but also within the engineering and motor industries.

It has already been shown that this process began in the 1930s.

In the 2nd World War it was to continue. In 1942, Electrolux as a newly recruited member of the Federation, wanted to know the local rates for skilled workers. The information supplied by the B.E.E.A. clearly shows that Vauxhall was at the head of the wages table. For the highest paid workers in the tool room Electrolux paid 29.34d per hour, Skefco paid 30.42d and Davis Gas Stove Company paid 26.75d. By contrast Vauxhall rates were as follows: all skilled workers started at 28d per hour plus 8/6d per week bonus. This would add just over 2d per hour. Middle grade were paid 31d per hour, plus an extra 1d after 2 years service. By merit awards up to 35d per hour could be earned, and if made a group leader 37d per hour. (1) It was clear that even the lowest grade and least experienced skilled workers in Vauxhall began on a level with the highest paid workers in these three firms. When additional payments such as bonuses and profit sharing are added the difference between Vauxhall and local firms widened even further more.

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(1) 'Conference with Mr. Trunchion of the Employers Federation on Outstanding Labour Matters Affecting Electrolux Limited.' 20th July, 1942. Electrolux Box File, Mid-Anglian E.E.F. Archives.

In the national context Vauxhall was also noted for its high wage payments. Its wages for all categories of workers were higher than the highest paid for example in Ipswich, Halifax and Burnley, towns representative of the depressed North and rural East Anglia.(1) Even within the car industry Vauxhall was considered to be a good firm to work for, Fred Smith who had moved to Luton in the late 1930s from the railway works at Swindon considered Vauxhall to be 'one of the best paying firms in the country.' (2) Harold Horne, an A.E.U. Convenor at Vauxhall who began work there in 1940, was of the opinion that high wages and good conditions at Vauxhall had the effect of attracting away Ford workers, as both firms drew on the London catchment area for labour. (3) Further, it has already been noted that the Luton district rate for fitters and turners was 1/- per week higher than that of Oxford. (4) The only area where pay rates per hour were higher was in Coventry, particularly at Standard Motors, (5) and not until 1940.

By 1943 the B.E.E.A. identified the unions' policy as 'to get what they can nationally and afterwards, to go farther, by attacking individual firms and playing off one against the other.' (6) The result was that districts which had a powerful influence on local rates

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- (1) E.D.Smithies 'The Contrast Between North and South in England 1918-1939: Study of Economic, Social and Political Problems with Particular Reference to the Experience of Burnley, Halifax, Ipswich and Luton.' (Unpublished Ph.D.thesis, University of Leeds, 1974.) see pages 130,131,132,136,137, tables 3,8, 3.9, 3.10. N.B. Smithies points out that this was not true for all other workers in Luton, particularly those in the hat trade.
  - (2) Interview with Fred Smith (taped) March, 1980.
  - (3) Interview with Harold Horne (taped) July, 1978.
  - (4) B.E.E.A.Minute Book, 1935, 25th August, 1935.
  - (5) R.Croucher 'Engineers at War, 1939-1945 (1982) p.158. Standard was paying even higher than the district rate, which had been raised due to the erection of five shadow factories, run by the government. In order to attract labour they paid higher than the district rate and Federation firms were forced to follow suit. See Wigham op.cit. p.147.
  - (6) B.E.E.A.Minute Book 1943. 11th. February, 1943.



of pay would tend to have average wages for their district higher than the national average. Vauxhall acted as a catalyst for Luton in this respect. The result was that in the years between 1942 and 1950 the idea of a district rate, which the E.E.F. was keen to maintain became something of a myth. Thus in 1946 the B.E.E.A. complained that 'while the majority of firms have similar rates as agreed for the district, lieu bonuses and piece bonuses have caused a considerable difference in inclusive earnings.' (1) Such additions to basic rates had been carried by local firms in order to prevent enticement by Vauxhall. Such was the concern that once again the B.E.E.A. wrote to Sir Charles Bartlett to ask for a meeting to discuss the problem. On the 1st November the B.E.E.A. met Sir Charles with a six point document of complaint.(2) That the meeting little affected Bartlett's attitude is evidenced by the fact that the local association was forced once again to write a strongly worded letter to Vauxhall in the following year.(3) The reply was considered 'unsatisfactory' by B.E.E.A. members, but they could do little about the situation.(4) This was clearly shown when in the following year Kents and more surprisingly, Percival Aircraft, one of the highest wage payers in the district, lost workers to Vauxhall. (5) The B.E.E.A. 'agreed that no useful purpose would be served by making further contact with them, and the matter

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(1) B.E.E.A. Minute Book, 1946 26th September, 1946.

(2) B.E.E.A. Minute Book 1946, 24th October, 1946.

(3) B.E.E.A. Minute Book 1947 12th March 1947.

(4) Ibid 14th May, 1947.

(5) When Percival Aircraft joined the Federation in 1941 there was considerable doubt as whether to accept their membership as they paid considerably higher than the district rate. The B.E.E.A. eventually admitted the firm for the reason that it was part of a high paying industry. See B.E.E.A. Minute Book 1940, 14th November, 1940, and 21st August, 1941.

was left for Luton members to take up individually if they desired to do so.' (1) In 1950 Vauxhall was accused of enticing workers away from Bedford firms (20 miles to the North of Luton).(2)

The upshot was for the local association to renew an enticement agreement that they had composed in 1947. It had stated three conditions to be observed by federated firms. That a person employed in one federated firm should not be employed in another, unless unemployed and has his cards with him. That the telephone be used to enquire whether the man is employed or not; and that if the new position offered promotion then the firm should not stand in the person's way. (3)

The amended agreement added that 'if an applicant is unemployed and is not in possession of his cards, then it is desirable that the interviewing employer should telephone the previous employer to ensure that the applicant is, in fact, unemployed.(4) Some members argued that this amendment was almost the same as before and a tighter agreement was needed. The realists in B.E.E.A. recognised that the control of the movements of the local and migrant labour force was but a pipe dream, and employers would have to 'put a steel fence round their employees with an Essential Works Orders of medieval severity,' in order to do this.(5) The local association had come to accept the predominance of Vauxhall as a fact of life, and they attempted to retain their workforce by other methods.

- (1) B.E.E.A. Minute Book 1948, 21st October, 1948.
- (2) B.E.E.A. Minute Book 1950, 18th May, 1950.
- (3) B.E.E.A. Minute Book 1947, 10th September, 1947.
- (4) B.E.E.A. Minute Book 1941, 21st April, 1951.
- (5) Ibid 20th September, 1951.

Skefko and Electrolux for example allowed 100 per cent unionisation in their skilled shops and their semi and unskilled workers were largely unionised. (1) Davis Gas Stove paid measured day work long before Vauxhall, and this seemed to be popular with the workforce there. (2) Percival Aircraft was a good wage payer, and if not up to Vauxhall level certainly above the district rate. (3) In addition there must have been attraction in the fact that the type of work there was not as monotonous as the assembly work so much prevalent at Vauxhall. George Kent Ltd., on the other hand, emphasised loyalty, length of service and security of job as attractive factors to keep their workforce. (4)

Nevertheless, the lure of high wages at Vauxhall was an important factor in enticing workers from the above firms and others in the Luton and Bedfordshire District. The 'cash nexus' was to remain as strong in the 1950s and 1960s as it was in the 1940s and 1930's in influencing the supply and distribution of the labour force. (5) Another Vauxhall policy which had the effect of causing friction between the firm and the B.E.E.A. was that of paid holidays. In 1937 Vauxhall was the first Luton firm to give a full weeks pay for the workers' Summer Holiday. The whole factory was to close in the first week in August 'to make it as complete a closure as possible.' (6) This was not a particularly radical move as the E.E.F. had negotiated

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- (1) Goldthorpe, Lockwood, et al. The Affluent Worker: Industrial Attitudes and Behaviour (Cambridge, 1968) p.94. See also 'Skefko Co.Ltd: Women Workers.' Strike Document describing women's dispute over a few women who did not wish to join the union. Skefko Box File, Mid-Anglian E.E.F.Archives.
  - (2) Davis Gas Stove Co.,Ltd., 'Membership Application Form' to E.E.F.Davis Membership File, Broadway House, E.E.F.Archives,1938.
  - (3) 'Percival Aircraft Co.,Ltd., Application form to E.E.F.' Percival Membership File, 1941. Broadway House E.E.F.Archives.
  - (4) The George Kent Centenary, 1838-1938, G.Kent Ltd., (Luton,1938),p.24.
  - (5) Goldthorpe et al., op.cit p.27.
  - (6) Luton News 25th March, 1937, p.11, cols 6 & 7.

a holiday with pay in their 1937 agreement with the unions but it was the first to do so in Luton. (1) Of greater concern to the local association was the proposal by Vauxhall to give their work force two weeks paid Summer holiday. This was introduced in 1946, 5 years before the Federation agreed to such a policy with the unions at a national level. (2) Such a policy was looked upon with envy by workers in other Luton firms and by 1948 the B.E.E.A. noted that the workers in their own firms had voted with their feet in favour of two weeks. Most Luton workers decided to take a fortnight's holiday unpaid or not. The local association recorded that 'this action must be resisted as long as possible' (3) The Luton News recorded that 60 per cent of Luton workers followed the Vauxhall holiday 'exodus.' (4) By the end of the 1940s the Vauxhall two week closure virtually reduced Luton to a 'ghost town.' Smaller establishments which relied on Vauxhall for contracts, were also strongly influenced to follow suit, and shops and services were similarly affected.

Each time Vauxhall expanded it impinged itself on the life of the Luton community. Housing needs increased adding to the post-war shortages. Bus routing became centred around Vauxhall Works entrances and exists at rush hour times. (5) In many senses Vauxhall became Luton. In politics many of its workers and staff became local councillors. Voluntary and church organisations received

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(1) Wigham, op.cit pp 143,144.

(2) Luton News 18th April, 1946. p.4, col.5.

(3) B.E.E.A. Minute Book 1948, 16th September, 1948.

(4) Luton News 22nd August, 1946, p.4, col.3.

(5) Luton News 27th August, 1946, p.4.

considerable direct help from Vauxhall employees in terms of money and organisational help. The whole social fabric, and economic structure became Vauxhall influenced. The firm acted as a barometer to the prosperity of the local and national economy as represented by the motor vehicle industry.

## CONCLUSION

In this section the intention is to present the prominent points of each chapter, in an attempt to answer more succinctly the questions posed in the introduction and at the beginning of each chapter.

In Chapter One we concluded that Vauxhall's initial success in motor manufacturing before the First World War was due to its steady, but not over extended rate of capital formation and expansion of productive capacity. A balanced managerial board which ensured the cooperation of engineering skill and commercial expertise was important, and a solid engineering background provided by a skilled workforce enabled Vauxhall to design vehicles for a changing market at a time when many firms were merely assembly plants. Also, the vehicle designs of Laurence Pomeroy, culminating in the legendary 30/98, were to raise Vauxhall's reputation to considerable heights.

However, the post-war era was to witness the beginnings of the transition of motor vehicle manufacturing into realms of mass production, and the inability and unwillingness by Vauxhall management to adapt and change sufficiently led to continuing financial problems. Over extension of capital and plant in the boom of the immediate post-war years was in retrospect for many firms including Vauxhall, a serious mistake. The depression which began in late 1920, thus caught many firms with enormous debts and falling profits and, in the case of Vauxhall, large losses. The situation was not helped by the resumption of competitive racing, an expensive sideline which Vauxhall finally abandoned in 1923. Though Vauxhall began production of a smaller 14 h.p. model which had the effect of increasing sales, the onset of falling prices, caused initially by the slump and later in the decade by mass production of smaller vehicles by Austin and Morris, ensured that Vauxhall's profitability remained marginal. In essence Vauxhall, Sunbeam and similar firms were caught between two stools;

by the financial inability to move into manufacture on a large enough scale to compete with Austin and Morris and the unwillingness to compromise engineering prowess upon which the reputation of Vauxhall rested, and the inability to compete in the narrowing luxury end of the market epitomised by Rolls-Royce.

The acquisition of Vauxhall by General Motors was eventually to lead the Company into the realms of mass production, but not without conflict within both Vauxhall and General Motors. In Chapter Two we saw that considerable doubt was expressed by Alfred Sloan and other G.M. executives about the future worth of Vauxhall. James Mooney convinced the G.M. Board that Vauxhall should be made a base for British and empire markets, which he correctly envisaged were of great importance. Thus, the small British subsidiary began an important innovation in G.M. overseas policies, followed shortly by Adam Opel in Germany, which was to have a far less impressive record than Vauxhall.

Controversy over the sale of Vauxhall engendered by the motoring press, and the atmosphere of economic nationalism fostered by William Morris amongst others, led G.M. to keep a low profile. Anxious to promote an all British image, American presence was kept to the minimum, with the effect that Vauxhall was allowed considerable autonomy within the G.M. structure.

In Chapters Three and Four the rise of Vauxhall to 'Big Six' status is explored. Of enormous importance were the initial injections of capital to enable Vauxhall to survive the 1920s and begin to expand and reorganise for mass production. In addition G.M. expertise in matters concerning technical developments were freely used by Vauxhall e.g. synchromesh gears and all metal body shell production. Of inestimable importance was the adoption of American marketing methods which contrasted

to the pedestrian British approach.' Distribution net works were built up in which the Vauxhall sales department was in constant and intimate contact with retailers, agents and dealers. The General Motors News, later retitled the Vauxhall-Bedford News was established to promote a constant stream of new ideas. Economic studies of the market potential for each area were accrued for the use of fieldmen. Hire purchase and deferred payments schemes were generated through the General Motors Acceptance Corporation, and the promotion and quick turnover of used cars and trucks was seen as enhancing sales of new models in the long run.

As important as the advantages bestowed by the American parent company, was the skill of Vauxhall's British Managers in introducing these innovations into the British context which was a principal factor in Vauxhall's success. We have seen that both Ford, U.S.A. and General Motors failed to perceive the divergences and dissimilarities between the British and American markets and that Ford's large 'Model A' and Vauxhall's 'Cadet' failed to make the expected inroads into the British market. Percival Perry of the British Ford Motor Company and Charles Barlett of Vauxhall insisted on the production of the smaller Ford 'Model Y' and 'Eight' and the Vauxhall 'Light Six' and later the 'Ten.' The most successful Vauxhall vehicle of the 1930s was the Bedford 30 cwt truck which found large markets both at home and abroad. Indeed, Vauxhall trucks accounted for over a quarter of British commercial vehicle exports by 1938. The General Motors world wide sales outlets and back up services played a crucial role in channelling Vauxhall models into export markets, where the Commercial Motor revealed the inefficient and anachronistic marketing methods used by British commercial vehicle manufacturers.



Chapters Five and Six considered the labour relations of Vauxhall Motors. The long term view shows how expansion of the firm combined with changes in production techniques shifted the relationship between management and men. This was considerably affected by the changing economic climate. Whereas in the First World War and the immediate post-war years management was willing to make concessions to the workforce due to labour shortages and the need to quickly fulfill demand; the onset of depression created a sharp change in management policies. What could be conceded to workers in 1919 was vigorously resisted by management in 1921 under the burden of large financial losses. Essentially the Vauxhall management changed from a defensive to an offensive position, compelled into this prematurely by its needs to cut costs in a market where vehicle prices were rapidly falling. The Board perceived that it could not continue with the premium bonus system reluctantly adopted in 1917, as the bonus payments were in excess of that which it felt it could afford. The abandonment of premium bonus, the breaking of the union presence in the firm and Hancock and Kidner's feeling that Vauxhall was not receiving sufficient support from the E.E.F., led to the resignation of the Company from that body in 1921, because the Vauxhall Board stated it could no longer adhere to the national agreements of 1914 and 1920. Freed from the constrictions of the E.E.F., the Vauxhall management proceeded to reduce its workforce, resist attempts to restrict over-time, and re-grade and re-time jobs in accordance with what was to be called an 'efficiency system'. To interpret this as a move towards 'direct control' and in particular towards a Fordist system as Wayne Lewchuk has proposed, can be considerably misleading. Even when the works were expanded and reorganised in 1925 the system of production and organisation

was not advanced, nor was the output of vehicles large enough to conform to the Fordist system.

The adoption of Group Bonus in 1928 was a move away from the classic forms of direct control and could be seen as conforming more to what Friedman describes as 'self-autonomy.' Group Bonus was to remain until 1956, when its abandonment was necessitated by the installation of advanced mechanisation. Lewchuk seems to have pre-dated the

move towards direct control under the Fordist model by 30 years.

In Chapter 6 an attempt is made to explain the tranquil industrial relations which pertained under the managing directorship of Charles Bartlett. The 'turnip patch' mentality of the Vauxhall workforce has its roots in the development of the Luton economy. The hat industry ensured no tradition of unionism and the engineering firms established in Luton before the First World War were too small to create a large union presence. Despite the militancy of the First World War, the history of trade union organisation in Luton was limited in force and militancy by comparison to more industrialised areas, the burning of Luton Town Hall in 1919, originating from causes other than union militancy. Equally important was the isolated position of Luton, which ensured that Vauxhall was insulated much more from the general influences of the engineering and motor industries.

When Bartlett assumed the managing directorship in 1929 the economy was about to enter the Great Depression, and although the vehicle industry emerged more quickly than the staple industries the effect of the depression was to create a permanent pool of readily available unskilled and semi-skilled labour until the Second World War - an effect that was a general dampener on rapid union growth in the motor vehicle industry.

Within Vauxhall Bartlett promoted paternalistic policies calculated to

create a contented workforce, whose growing demands were intelligently met and catered for by reforms to the industrial relations structure. These included high pay and relative job security. A group bonus scheme existed which enabled good reward for collective effort, unions were eventually recognised and were shortly followed by the setting up of the M.A.C.; at the same time this period saw the introduction of improved welfare, sporting, social and canteen facilities. Channels of communications between management and the workforce were considerably improved and attempts were made to deal with potential problems as soon as they were recognised. Efforts were made to engender in the workforce a feeling of belonging, by fostering a cooperative atmosphere; promotion which was based on organisational talent and ability to get on with the men, was open to all and based on merit. Another important consideration was that the Bartlett era was one of expansion, and while an upsurge of unionism did take place at Vauxhall from the 1940s trouble inevitably began when contraction or lack of growth thwarted the expectations of an organised workforce. Finally, the close cordiality of the Bartlett approach to industrial relations could work effectively until the 1950's when a relatively small workforce was located on a single site, but by the 1960s the workforce had grown threefold scattered among three sites. Such institutions as the M.A.C., were bound to prove less effective in such a large and geographically spread organisation. Bartlett was, nevertheless, intelligent, adaptable and had considerable foresight, and there is little doubt that under his policies Vauxhall industrial relations were exceptionally good. In the final chapters, Vauxhall was placed in the context of the growth of the Luton economy. In Chapter Seven we saw how the Luton Chamber of Commerce and the Town Council became worried by the predominance

of the hat trade which in the late 19th Century employed mainly female labour and was prone to seasonal unemployment. A New Industries Committee was created with the intention of attracting concerns which would mainly employ male labour. This object was successfully achieved in that new industries settled in Luton in the period before the First World War, and witnessed considerable expansion in the inter-war years. The aims of providing work for men and attracting industries less susceptible than the hat trade to seasonal fluctuations appeared to have been achieved. During the inter-war years the combination of the hat trade and engineering industries helped Luton survived two depressions. In the early 1920s, it was the hat trade that recovered quickly and maintained employment in Luton, whereas in the 1930s it was engineering and particularly that of motor vehicles which ensured Luton's prosperity in the face of a structurally weak hat trade. In the long term the rapid expansion of Vauxhall ensured its central position in the Luton economy and fears were expressed that Luton was becoming largely reliant on two trades - hats were to undergo a severe decline in popularity during the Second World War, and motor vehicles, largely represented by Vauxhall. As Glyn Morgan, an A.U.E.W., convenor at Vauxhall put it, "When Vauxhall sneezes Luton catches a cold." (1) It would seem that in the long run the aims of the New Industries Committee had not been achieved, outflanked by unforeseen circumstances. Nevertheless compared to 19th century Luton the town's industrial structure was far more diversified. Certainly attempts at creating more male employment succeeded to a point where the percentage of female labour to that of men declined sharply.

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1. Interview Glyn Morgan, December, 1979

The strength of influence of a rapidly expanding Vauxhall quickly became evident in the 1930s and the final chapter reveals how Vauxhall acted as a leader in the competitive bidding for labour between Luton firms. Vauxhall paid above the district rate in order to attract skilled workers in particular. The effect was to increase the general wage level within the district, as firms attempted to check the movement of labour to Vauxhall. In addition, the engineering unions were able to use the example of Vauxhall to extract better wages and conditions for their members in other Luton firms. The B.E.E.A.'s attempts at controlling this process proved fruitless, and that body was forced to accept the situation. At the same time Vauxhall's expansion contributed to the growth of unionism in Luton, and the A.E.U.'s policy of using Vauxhall as a stalking horse to put pressure on other firms, one by one, led to an increase in B.E.E.A. membership as firms began to seek greater security within its organisation. This trend intensified during World War Two when an overheated labour market rendered greater cohesion among employers as imperative to ensure orderly collective bargaining. The rapid expansion of Vauxhall in the post-war years however, increased its dominance over the Luton economy and in efforts to retain their workers, Luton firms adopted alternative strategies to Vauxhall. By 1950 the B.E.E.A. readily admitted that it was unable to prevent Vauxhall's enticement of labour. In many senses Vauxhall had become the barometer of Luton's prosperity.

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LEWCHUK, Wayne

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#### TAPED INTERVIEWS

ADAIR, Tom (Jock)\*

Assembly Line Worker, 1938-1960 (Interviewed April, 1981)

BATES, Eric\*

Engineering Records Office, Vauxhall 1930-1979. (Interviewed March, 1980)

BURNS, Keith\*

Tool Maker, Vauxhall 1942-1980 (Interviewed, January, 1982)

COWELL, Les

Capstan Operator, Vauxhall 1937-1978 (Interviewed March, 1980)

DALLEY, Sid\*

Body Shop Worker, Vauxhall 1933-1970s (Interviewed by Steve Tolliday June, 1981)

DAVIES, Glyn

Press Officer, Vauxhall 1935-1979 (Interviewed July, 1978)

HORNE, Harold*	Convenor A.U.E.W.Vauxhall 1940-1968. (Interviewed July, 1978)
MORGAN, Glyn*	Tool Maker, began at Vauxhall in 1940. A.U.E.W.Convenor (Interviewed December,1979)
PEARSON, Sir Reginald*	Director Vauxhall Motors. Worked at Vauxhall 1919-1962 (Interviewed Feb.,1979)
REED, Ernie*	Body shop worker, Vauxhall 1939-1920s (Interviewed by Steve Tolliday June,1981)
SMITH, Fred	Rivetter, Vauxhall 1935 to 1979 (Interviewed March, 1980)
SMITH, Don (Jock) & Eve*	Assembly Line Worker, Vauxhall 1938-1944 (Interviewed March, 1981)
TYLEE, Bill*	Vehicle Builder in body shop, Vauxhall 1933-1970s (Interviewed by Steve Tolliday, June, 1981)
VIGOR, Peter*	Editor of 'Vauxhall Mirror' began work at Vauxhall in 1927 and 1940 until 1978 (Interviewed October, 1978)
WEST, Jack*	Began General Motors, Hendon 1920 and stayed with Vauxhall until 1962. Foreman in body shop (Interviewed January,1981)

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